



Prime Minister Jospin exiting a polling booth Sunday in Cintegabelle, in southwest France.

## Socialists Gain In Local Voting Across France

An Endorsement for Jospin And Disavowal of the Right Seen in the Low Turnout

By Joseph Fitchett  
International Herald Tribune

PARIS—Conservative parties were ousted in a majority of the France's regional authorities in a nationwide ballot Sunday, a result amounting to a powerful endorsement for Prime Minister Lionel Jospin's Socialist-led government.

According to early projections, Mr. Jospin and his Communist and Green allies won 37 percent of the popular vote in the regional elections, the first national ballot since the Jospin coalition unexpectedly captured parliamentary control 10 months ago.

The outcome appeared to be primarily a fresh disavowal of the center-right conservatives, who were rejected last year and this time captured barely 30 percent of the vote.

Mainstream conservatives, analysts said Sunday, were still burdened in voters' eyes with their inability to close ranks behind new leaders after President Jacques Chirac's miscalculation in calling an ill-fated parliamentary election on short notice last year. As a result, the conservatives failed to benefit Sunday from the political dynamic favoring a rebound vote in favor of the opposition in off-year elections.

The overall results, according to computer projections, showed 37 percent for Mr. Jospin's coalition of Socialists, Communists and Greens, and 30 percent for the coalition of Mr. Chirac's Neo-Gaullists and the center-right parties led by Francois Leotard.

Jean-Marie Le Pen's National Front was credited with 15.7 percent of the popular vote, a level that would be ahead of its previous high of 15.2 percent in a national vote.

Less than 5 percent went to several small factions, including independent Greens, extreme leftists, independent conservatives and an anti-European party allied with hunters.

A highly visible test case seems likely to emerge in the Ile-de-France, the region surrounding Paris, where former Prime Minister Edouard Balladur, confronting Finance Minister Dominique Strauss-Kahn, seemed to face losing

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A U.S. soldier in the NATO-led force patrolling a suburb of Brcko on Sunday.

## Bosnian Town Stays in Limbo

International Panel Delays Awarding Control of Brcko

By Lee Hockstader  
Washington Post Service

SARAJEVO, Bosnia-Herzegovina—The little Bosnian town of Brcko is a kind of ward of the planet Earth whose every twitch, snuffle and shrug is fussed over and scrutinized by a multinational battery of bureaucrats, aid agencies, policemen and heavily armed soldiers.

An American diplomat invested with kingly powers oversees the place, right down to determining who will live in which house, the list of required attendees at meetings of local police chiefs, the ethnic composition of the local municipal council and the pace at which privatization will proceed. His will is enforced by the highly visible presence of hundreds of U.S. troops and armor. Officials from dozens of other countries pick over the fine print of municipal governance.

On Sunday, Brcko's status as the Balkans' most closely watched intensive-care patient was extended at least until early 1999 while an international arbitration tribunal will continue

to mull the question of who should ultimately run the town: the Bosnian Serbs who are there now or the Muslims who were there before the war began.

In a closely watched decision, Roberts Owen, a U.S. lawyer who heads the arbitration panel, concluded that general instability in the region and a rapidly shifting political scene in Bosnia's Serbian-controlled half justified a further delay—the third in 15 months—in determining Brcko's fate. In the meantime, Brcko will remain in the hands of the Serbs, who captured it in 1992.

But Mr. Owen also warned the Bosnian Serbs that unless their new government fulfilled recent promises to work for ethnic reintegration in Brcko, the arbitration panel would hand control of the town back to Bosnia's Muslim-Croatian Federation next year.

The decision was a disappointment to Bosnian Muslims, who believe that leaving the town in Serbian hands rewards aggression.

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## Nationalists In India Get Long-Awaited Call to Govern

But the Hindus Must Rely On Small Parties, Limiting Influence of Supremacists

By John F. Burns  
New York Times Service

NEW DELHI—The main Hindu nationalist party's long wait for power in India ended Sunday with a formal invitation to establish a government, but the nationalists' parliamentary dependence on more than 20 smaller parties appeared to leave them little room to carry out Hindu supremacist policies that are anathema to the country's 120 million Muslims.

After two weeks of see-saw politics that followed an inconclusive election, Atal Bihari Vajpayee, 71, the Hindu nationalists' parliamentary leader, was summoned to the presidential palace and handed a formal letter asking him to become prime minister. An announcement by President K. R. Narayanan said that Mr. Vajpayee, a respected foreign minister in a coalition government more than 20 years ago, would be sworn in along with his coalition cabinet on Thursday.

After days of uncertainty that threatened to block the nationalists from power, Mr. Vajpayee

Sonia Gandhi is to lead the Congress Party, keeping the dynasty alive. Page 4.

appeared tired but elated when he emerged from the 30-minute palace meeting. To the relief of many Indians, he immediately hinted at the moderation that seems likely to be forced on the nationalists by their coalition partners, most whom have been long-standing opponents of policies that isolate or punish Muslims, lower-caste Hindus or other groups that have traditionally been suspicious of the nationalists' brand of Hindu supremacy.

"The position of prime minister is not only an honor but a challenge," Mr. Vajpayee said. "The country is passing through serious problems, but I will try to get help from all sides, and with consensus these problems can be solved."

By a sweet irony for the Hindu nationalists, their path to power was cleared by an earlier visit to the presidential palace by Sonia Gandhi, the Congress (I) Party's new leader. Mrs. Gandhi, a native Italian who described the Hindu nationalists as a threat to India's social and religious harmony as she campaigned across India in the recent election, told Mr. Narayanan less than 24 hours after being elected Congress Party president that the party lacked the strength to form a government.

"We have no numbers to form a government, so we are not staking a claim," Mrs. Gandhi said.

For Mr. Vajpayee, the call to become prime minister was a healing moment. Barely 21 months ago, he endured what he described privately as a humiliation when he headed India's first-ever Hindu nationalist government, only to be forced to resign after 13 days when the nationalists hardily any other parliamentarian willing to support them.

The experience underlined the nationalists' long history as the pariahs of Indian politics, a status entrenched for many older-generation Indians when a Hindu nationalist extremist, Nathuram Godse, assassinated the country's independence leader, Mohandas Gandhi, on Jan. 30, 1948. From that shocking moment on, it has

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## Europe New Left Still Divided by Ideology Despite A Smiling Face

By John Vinocur  
International Herald Tribune

LONDON—If Gerhard Schroeder enters the halls of power this September alongside Tony Blair and Lionel Jospin, then Europe, the argument runs, will find itself led by men of deep affinity, leaders so aglow with the spirit of New Pragmatism, or Compassion with an Edge, or Responsible Social Justice that together they could light up the century to come.

A New Labour member of Parliament, pushing this thesis in the margins of the brief Euro-

### NEWS ANALYSIS

pean summit meeting here last week, talked in rapture about the likelihood of Germany, Britain and France being simultaneously governed for the first time by what he called the pragmatic left. There was at hand, he insisted, a remarkable confluence of three energetic, reasonable personalities, ambitious yet measured, Protestant in background and anti-doctrinaire in spirit, who as an ensemble could do breathtaking things for Europe and the world.

If this is to be the case, the notion has had a distracting few days. In the faint sun of late winter in London, the affinities, the togetherness-to-be could have passed for three solitudes.

For all the civility and good intentions of the main players of Europe's left, nationalism, statism, and political cultures and constituencies so different as to be caricatured leaped up to make the vision of seamless modernity, played out in real time, look rather like the everyday friction of decades past.

At the most basic, earthbound level, France told Britain that it totally rejected, and regarded

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## Aging Safeguards: A Brush With Nuclear Disaster

By David Hoffman  
Washington Post Service

MOSCOW—At dawn on the morning of Jan. 25, 1995, a four-stage Norwegian-U.S. joint research rocket, Black Brant XII, lifted off from an island off Norway's northwest coast. Ninety-three seconds after the launching, the fourth stage burned out, hurling the rocket and its payload nearly straight up.

The rocket was designed to study the Northern Lights, but when it rose above the horizon, it turned into another kind of experiment—a test of the hair-trigger posture that still dominates the control of Russian and U.S. nuclear weapons.

The rocket was spotted by Russian early-warning radars. The radar operators sent an alert to Moscow. Within minutes, President Boris Yeltsin was brought his black nuclear command suitcase. For several tense minutes, while Mr. Yeltsin spoke with his defense minister by telephone, confusion reigned.

## Peaceful Launching in '95 Set Off an Alert in Russia

Little is known about what Mr. Yeltsin said, but these may have been some of the most dangerous moments of the nuclear age. They offer a glimpse of how the high-alert nuclear-launching mechanism of the Cold War remains in place, and how it could go disastrously

First of two articles

wrong, even though the great superpower rivalry has ended.

Russia and the United States still rely on a doctrine that calls for making rapid-fire decisions about a possible nuclear attack. If a Russian president wants to retaliate before enemy missiles reach his soil, he has about eight minutes to decide what to do.

Yet, in the Norway episode, the information needed for such a decision was unclear. Although the Norwegian rocket fell into the ocean, it triggered a heightened level of alert throughout the Russian strategic forces, according to testimony to the U.S. Congress and other sources. It was the first time a Russian leader had to use his nuclear briefcase in a real alert.

Now that the tensions between the superpowers have eased, so have the chances of a misunderstanding that could lead to nuclear war. But some Western specialists say the Norway rocket episode may not be the last.

The reason is that Russia's system of early warning of a possible attack, and command and control of nuclear forces, is suffering many of the same problems that plague the entire military. Russia inherited from the Soviet Union a system of radars and satellites, but after the Soviet breakup, many are no longer on

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## Is the Worst Over in Asia? Don't Bet Too Much on It

By Keith B. Richburg  
Washington Post Service

HONG KONG—The region's currencies have largely stabilized—they are far lower in value, but no longer plummeting. Stock markets have ended their downward slide for now. Parliaments are revising laws, opening up closed economies and allowing foreigners larger chunks of the pie. Foreign companies are already in the neighborhood, cautiously poking through the rubble in search of bargains.

Is the worst finally over for Southeast Asia's ailing "tiger" economies? After eight months of financial turmoil, is the region now looking at recovery?

Not quite, say economists and regional analysts. In fact, most warn that the worst is yet to come.

"The economic shoe is only just beginning to fall," said David Roche, chief strategist for London-based Independent Strategy. For one thing, he said, the region has not yet experienced

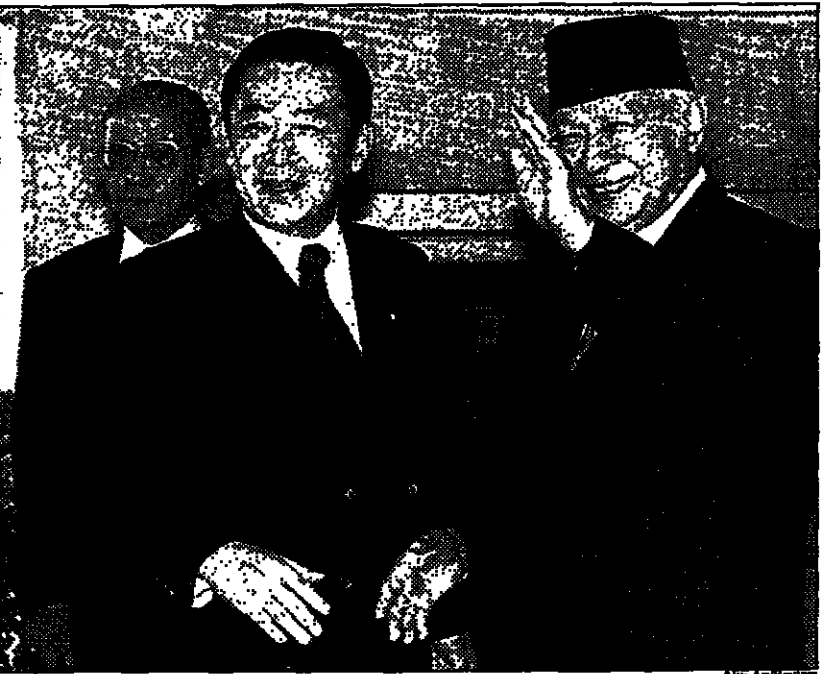
the major drop in industrial production—or the widespread layoffs—expected this year, particularly in South Korea and Thailand as they begin to implement the painful restructuring programs mandated by their International Monetary Fund bailout packages.

"In the next three to six months, we're going to see a lot more stories about corporate failures and bank failures," said Andy Tan, general manager of Standard & Poor's Corp. in Singapore. "That's a foregone conclusion."

That was also the message of Thailand's prime minister, Chuan Leekpai, who said in an interview before his visit to Washington last week. "Quite frankly, no, it has not passed yet."

Gloomy statistics and forecasts seem to confirm that much more trouble is ahead. Inflation is rising—the annualized rate in Thailand is 8.9 percent, in

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Prime Minister Ryutaro Hashimoto of Japan, center, and Mr. Suharto, right, speaking to reporters in Jakarta on Sunday after they met to discuss Indonesia's compliance with an IMF bailout package. Page 11.

### AGENDA

#### Israel Protests EU Visit to East Jerusalem

JERUSALEM (AP)—In the face of Israeli protests, the British foreign secretary, Robin Cook, backed down Sunday from his plan to visit a contested Jerusalem neighborhood with Palestinian leaders, an Israeli official said.

The official, speaking on condition of anonymity, said Mr. Cook would still make a "low-profile" visit to the Har Homa neighborhood, despite Israeli opposition. Mr. Cook began a three-day European Union mission to the Middle East on Sunday to "unlock this deadlock in the peace process." He is expected in Israel on Tuesday.

#### European Bank's Big Hurdle: Rates

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## Sex Life of the President: Accusers Turn Up Heat

Former White House Aide Takes to the Airwaves

By Dan Balz  
Washington Post Service

WASHINGTON—If the institution of the presidency could blush, it would have last week.

On Tuesday, a tall woman wearing a long strand of pearls climbed out of a van in front of the federal courthouse in Washington and strode inside to testify before a grand jury hearing evidence gathered by the independent counsel Kenneth Starr. Her name was Kathleen Willey, and she had a graphic story to tell about an encounter with President Bill Clinton in November 1993.

On Friday, the lawyers for Paula Jones descended on Washington and made public page after page of testimony from Mrs. Willey and other women alleging sexual encounters with Mr. Clinton dating back to his days as governor of Arkansas—assertions that, with one exception, Mr. Clinton denied in his own testimony.

Ostensibly, the Jones legal team was in Washington to offer their response to the routine motion filed last month by the president's lawyer, Robert Bennett, asking Judge Susan Webber Wright of U.S. District Court to dismiss the Jones sexual harassment lawsuit for lack of evidence.

But while the Jones answer came in a 95-page brief, it was the roughly 600 pages of accompanying material that drew the most attention from the news media. And—in no more time than it took to run the Jones documents through copying machines—the focus turned from whether Mr. Clinton and others

urged a former White House intern, Monica Lewinsky, to lie under oath about an affair to yet another salacious story about sex and the president.

Whatever last week added up to legally was a matter of debate, with some arguing that the Jones presentation was attention-grabbing but unlikely to be effective in a courtroom while others suggested that the appearance of Mrs. Willey as a cooperating witness in the

Conservatives worry about the Paula Jones association. • The Defense Department investigates. Linda Tripp. Page 3.

Starr investigation could be a sign of trouble for the president.

[In her interview with "60 Minutes," Mrs. Willey accused the president of lying under oath, Reuters reported.]

[According to a transcript of the show released Sunday, Mrs. Willey was asked if Mr. Clinton was lying if he said under oath that he had not made a sexual advance to her when she was a White House volunteer. She answered, "Yes."]

Politically, it was too soon to know how much the material made public by Mrs. Jones's lawyers would harm a president whose approval ratings have continued to defy gravity since the Lewinsky story became public almost eight weeks ago.

But the analysis from those who have been charting the public mood was that it would be minimal. The public has

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Newsstand Prices

Andorra.....	10.00 FF	Lebanon.....	LL 3,000
Antigua.....	12.50 FF	Morocco.....	16 Dh
Cape Verde.....	1,800 CFA	Qatar.....	10.00 QR
Egypt.....	SE 5.50	Reunion.....	12.50 FF
France.....	10.00 FF	Saudi Arabia.....	10 SR
Gabon.....	1,100 CFA	Senegal.....	1,100 CFA
Guinea.....	2,800 Lfr	Spain.....	225 Ptas
Italy Coast.....	1,250 CFA	Tunisia.....	1,250 Din
Jordan.....	1,250 JD	U.A.E.....	10.00 Dh
Kuwait.....	700 Fils	U.S. Mil. (Eur).....	\$1.20







## THE AMERICAS

## Paula Jones's Legal Difficulty: Proving Sexual Harassment in One Pass

By Neil A. Lewis  
New York Times Service

WASHINGTON — In her 600-page court filing, Paula Jones may have presented enough evidence to have her sexual harassment lawsuit against President Bill Clinton heard by a judge and jury in Little Rock, Arkansas, in May. But many lawyers and law professors say her case still has significant flaws and weaknesses.

Although the massive court filing, presented Friday, includes affidavits and depositions from other women who said they had sexual encounters with the president, Mrs. Jones's case still hinges on a single encounter she claims she had with Mr. Clinton at a Little Rock hotel in 1991.

Because most successful sexual harassment cases include a pattern of repeated, unwelcome sexual advances or the creation of a sustained, hostile work environment, Mrs. Jones may still have difficulty prevailing in court.

Mrs. Jones, who was a clerical employee of the state of Arkansas at the time, must prove that her encounter with Mr. Clinton occurred and was so egregious that it violated her civil rights.

After the court filing, though, even some of her staunchest critics said they believed that Mrs. Jones's lawyers had presented enough evidence to suc-

cessfully counter Mr. Clinton's efforts to have the case thrown out of court by summary judgment. And if such a case, suffused with its incendiary themes of sex and power, goes to a jury, lawyers say it is axiomatic that anything may result.

"It now appears that this will get to a jury, and if that happens the jury may consider the totality of the circumstances and then there is just no telling what will happen," said Ronald Green, a New York lawyer with more than two decades of experience in sex discrimination lawsuits.

Mr. Green and others said that it would be surprising if Judge Susan Weber Wright of U.S. District Court in Little Rock dismissed the lawsuit before its scheduled May 27 trial date, as she has been urged to do by Mr. Clinton's lawyers.

Mrs. Jones's lawyers also introduced a new legal argument in their filings, contending that Mr. Clinton and his allies had orchestrated a "vast enterprise" to suppress evidence in the case. The lawyers said this pattern of obstruction was another reason their case should proceed to trial.

Her lawyers sought to counter another of the main attacks on her case made by the president's side: the argument that whatever happened in the Little Rock hotel room, she had suffered no resulting harm. To that end, they introduced a statement by a psychologist, Patrick Carnes, who

met with Mrs. Jones a month ago and concluded that the 1991 encounter had caused her "to suffer severe emotional distress."

They also amplified her complaints of mistreatment at work at an Arkansas state agency. They said that after rebuffing Mr. Clinton, she was treated rudely and blocked from promotion.

In the filing to Judge Wright, Mrs. Jones's lawyers sought to counter Mr. Clinton's legal arguments that her case should not proceed to trial because she had not proven that she suffered any harassment or unfair treatment after her encounter with Mr. Clinton.

In Mrs. Jones's account, her life changed forever and for the worse when she went to a hotel suite at the Excelsior Hotel in Little Rock to meet with Mr. Clinton, who was then governor of Arkansas.

During a May 8, 1991, encounter that Mrs. Jones describes as so crude and aggressive that it amounted to a virtual assault, she said that she felt threatened and fearful. Her court filings, which provide the clearest picture yet of her legal strategy, portray her as someone who has suffered lasting bouts of fear and doubt within and found her career stymied from without.

But far beyond the arguments about what happened to Mrs. Jones, her lawyers used the

filing as a vehicle to bombard the court — and the public — with 600 pages of sometimes graphic descriptions of Mr. Clinton as a chronic sexual predator, regularly using his office to aid him in obtaining sexual favors from female underlings and then using the powers of office to assure these actions would never be made public.

This portrayal could bolster Mrs. Jones's attempt to establish a pattern by Mr. Clinton of making unwanted sexual advances toward women subordinates. It remained unclear, however, whether Judge Wright would allow such evidence in the trial.

On Friday, Donovan Campbell Jr., one of Mrs. Jones's lawyers, said that the sworn deposition of Kathleen Willey, a former White House worker, was a significant part of Mrs. Jones's case. In the deposition, Mrs. Willey said the president groped her against her will in an Oval Office hallway on Nov. 9, 1993, when she came to him pleading for a paying job. The president denied making a pass at Mrs. Willey in his deposition in the Jones case.

Lawyers for Mr. Clinton, who has denied Mrs. Jones's account of what happened at the Excelsior Hotel seven years ago, have pitched a more constricted argument: Even if he did proposition her on that single occasion, and even if he did so as crudely as she has described, she has no legal

claim under sexual harassment law as it has evolved in the last several years. She simply has not shown convincing evidence that she suffered harm in her career or even that she was particularly upset, the president's lawyers have argued.

That view is echoed by Debra Katz, a Washington lawyer who specializes in sexual harassment lawsuits. Ms. Katz she believed that Mrs. Jones's case was anemic to the point that most judges would readily dismiss such a claim if it were not against the president of the United States.

"If a woman came to me with a similar fact pattern, that is someone in the company above her propositioned her but only once and she suffered no tangible job detriment," Ms. Katz said. "I would probably tell her that I'm sorry, it's unfair, but you don't have a case."

She said that courts have generally held that a one-time proposition does not constitute harassment. "If it's one time, it has to be severe, almost a sexual assault, not just a touching of somebody's breast or buttocks or even forceful kissing."

Perhaps with that in mind, Mrs. Jones has added details to her latest account of what happened, depicting Mr. Clinton as behaving in a more menacing manner. The brief filed by her lawyers refers to the incident on numerous occasions as "an assault."

Family Is First,  
Joe Kennedy  
Says in Quitting  
Congress SeatBy Carey Goldberg  
New York Times Service

BOSTON — When Representative Joseph Kennedy Jr., the leading politician in the dynasty's younger generation, announced that he planned to retire from Congress, he said the decision was prompted by a year of family turmoil and sorrow that brought "a new recognition of our own vulnerabilities and the vagaries of life."

Mr. Kennedy, 45, the eldest son of Robert F. Kennedy, says that instead of seeking a seventh term in the fall he will devote more time to his family and return to running Citizens Energy Corp., the company he founded nearly 20 years ago. The company had been most recently headed by his brother Michael, who died in a skiing accident Dec. 31.

He may return to politics in the future, he said. But Mr. Kennedy told reporters in Boston, "there are times when you have to get your priorities right."

"As far as you know, my brother was killed just a couple of months ago," said Mr. Kennedy, a Democrat. "That requires me to take up my responsibilities here and my responsibilities to my family, and I think that is what I should be doing and concentrating on for the next few years."

The decision by Mr. Kennedy — reached, he said, just Friday morning — startled local politicians and professional Kennedy-watchers alike, though there had been rumors that he was considering such a move.

"Joe Kennedy is the first family member ever to bow out of a political position," said Laurence Leamer, author of "The Kennedy Women: The Saga of an American Family" and now writing a book on the Kennedy men. "And that he's doing it for personal reasons is extraordinary."

In explaining his plans to retire, Mr. Kennedy mentioned his two sons, who are co-captains of their high school football team, and said: "I look forward to making every one of their games. Those are important priorities that sometimes get overlooked."



WASHED OUT — Residents of Chato Grande, Peru, discussing their next move after their village was ruined by flooding related to El Niño.

## POLITICAL NOTES

President Draws Line  
On Key Funding Bill

WASHINGTON — President Bill Clinton hinted over the weekend that he might veto emergency spending legislation if Congress attached a ban on aid to groups that offer abortion services overseas.

In his weekly radio address Saturday, Mr. Clinton criticized efforts by Republicans in Congress to attach the anti-abortion measure to a bill that would pay nearly \$1 billion in dues owed to the United Nations.

The bill includes \$18 billion for the International Monetary Fund to help deal with the financial crisis in Asia. The president also criticized Republican efforts to prevent the Federal Communications Commission from ordering free broadcast time for political candidates. Republicans have tried to impose those restrictions in a rider to a separate bill that would provide money for military operations in Bosnia and the Gulf, as well as disaster relief for states that have suffered severe storm damage. (NYT)

Moynihan Weighs In  
On Social Security

WASHINGTON — Senator Daniel Patrick Moynihan moved over the

weekend to reshape the debate on Social Security by offering a proposal to cut payroll taxes, reduce the annual cost-of-living adjustment and encourage workers to establish personal savings accounts for retirement.

Mr. Moynihan, Democrat of New York, said it was imperative that defenders of Social Security propose changes in the program, rather than just resist the proposals of conservatives who want to turn it into a vehicle for investing in stocks and bonds.

Under a bill to be introduced this week, Mr. Moynihan would allow workers to divert about 15 percent of payroll taxes into personal savings accounts. (NYT)

## Quote/Unquote

Dan Quayle, former vice president, who is preparing a presidential bid for the year 2000, on possible impeachment proceedings against President Bill Clinton: "We have to do what is right for the country. If Ken Starr submits a statement that says that he has reason to believe that perjury, obstruction of justice, suborning of perjury was committed, the Republicans will go forward with impeachment proceedings. I just don't buy this idea that the American people don't care if the president of the United States is lying, and they don't care if he committed perjury or obstructed justice." (Reuters)

## Jones Case: 'A Double-Edged Sword'

By Richard L. Berke  
New York Times Service

WASHINGTON — At the Conservative Political Action Conference here four years ago, many participants could barely contain their delight when a woman from Arkansas named Paula Jones nervously stepped up to a lectern and accused President Bill Clinton of making sexual advances toward her.

Before long, Mrs. Jones became something of an icon for conservatives who were intent on making the president an object of ridicule.

Mrs. Jones even played a cameo role in "The Clinton Chronicles," a program that accused Mr. Clinton of treason, among other flaws, and was broadcast on the Reverend Jerry Falwell's "Old Time Gospel Hour" on cable television. And efforts by her lawyers to depose women who might have had sexual encounters with the president turned up a former White House intern, Monica Lewinsky, whose relationship with Mr. Clinton is now under investigation by the Whitewater independent counsel.

But now, many conservatives, even some who were at that news conference when Mrs. Jones introduced herself to the nation, question whether the Jones matter and the subsequent accusations involving Ms. Lewinsky have snowballed out of control. Pointing to Mr. Clinton's robust poll ratings, these conservatives worry that the public attention has been as much on the tactics of the president's critics as on Mr. Clinton's own conduct.

"Like most things in Washington, it's a double-edged sword," said William Pascoe 3d, political director of the American Conservative Union. "It's been bad for conservatives because the Paula Jones case makes us look like snooping busybodies who have nothing better to do than to root through trash cans. On the other hand, it's good because we've learned new things about Clinton's propensity to lie and cover up."

Craig Shirley, a conservative public relations consultant who helped organize the conservative conference in 1994, said the Jones case had not dramatically affected people's perceptions of Mr. Clinton, but had served to harden the battle lines of anti-Clinton partisans.

Mr. Shirley said, "I doubt there are many people who voted for Clinton in '92 and then Paula Jones came along and said, 'Oh, I'm not voting for him again.' But he said the accusations spurred by the Jones case have 'intensified the opposition' to Mr. Clinton and have given people another reason to

oppose him. Even so, several conservatives said the Jones case had exacerbated tensions within Republican ranks. Some conservatives accuse their peers of letting down the cause by being too bashful about speaking out about the president's moral conduct.

Gary Bauer, president of the Family Research Council, said, "In some strange way, it's actually increased the gap between state and local conservatives and their leadership. In the grass roots, they are shaking their heads in wonderment that there are not more people willing to say the obvious: that if the president of the United States is treating women this way, that alone should call into question the continuation of his presidency."

Mark Levin, president of the Landmark Legal Foundation, said: "If this has been such a windfall for conservatives, why were most conservatives slow to embrace Jones? And if it's such a windfall for Republicans, why to this

day have so few Republican officials spoken out about this case?"

As evidence of how the accusations, swirling about Mr. Clinton have receded as hot-button issues for some, rightist groups, many people interviewed said they were more concerned about the Republican Party's performance on Capitol Hill than about the Jones or Lewinsky case.

"Regardless of Paula Jones, this is not a good year for conservatives," said Howard Phillips, founder of several conservative organizations. Mr. Pascoe agreed that conservatives had no game plan except to raise tawdry questions about Mr. Clinton's character.

"The congressional leadership has come to the conclusion that the best thing they can do is nothing — and get through the '98 midterms because they're not doing anything legislatively," he said. "It looks like the Republicans' only legislative agenda is to root for Monica, or root for Ken Starr. I think that's bad."

## Post-Monica Moviemaking

Director of 'Primary Colors' Wants It Viewed as Work of Art

By David Richards  
Washington Post Service

NEW YORK — Mike Nichols always gets edgy before the release of one of his films, but these days he is edgier than usual. On Friday, "Primary Colors" will open across the country, and the director worries that people will bring so much baggage with them into the theater that they will fail to see what is up on the screen.

After all, the innuendo, rumor and gossip swirling around President Bill Clinton and Monica Lewinsky, a one-time White House intern, have reached the velocity of a tornado. And here comes "Primary Colors," which recounts the presidential campaign of one Jack Stanton (John Travolta), a charismatic governor of a small Southern state, and examines his ideals, his idiosyncrasies and, yes, his tendencies to philander.

Will anyone look at the film as a work of art or will it simply be another log on a bonfire that already rages out of control?

"When we were in a pre-Monica world, everybody was worried that we were too tough on the president, if we took the film to be about the pres-

ident," Mr. Nichols said. "In a post-Monica world, everybody is worried that we're too easy on the president, if you take it to be about the president. But we were never concerned with the political aspects of it."

"I don't think this is a prurient movie at all," he added. "It seems very plugged into 'Who's Afraid of Virginia Woolf?' It's about many of the same things — marriage, privacy, secrets. It's about the fact that you never know what goes on in anybody else's marriage and they don't know anything about yours. It's about loyalty. Most of all, it asks the question, Where does honor lie in this changing world of ours?"

In short, Mr. Nichols believes that "Primary Colors" is a complex investigation of human behavior at a time when the overriding issue seems to be no more complicated than "Did they or didn't they?"

"In public discourse, people are black and white, unambiguous in their feelings," Mr. Nichols said. "But it isn't that way in reality. It can't be. The decisions of private life are filled with ambiguity. There are layers over layers over layers."

## Tripp Allegedly Hid 1969 Arrest From Pentagon

By Jeff Leen  
Washington Post Service

WASHINGTON — The Department of Defense is investigating a report that Linda Tripp, an employee who is a central figure in the Monica Lewinsky saga, failed to disclose a 1969 arrest at a New York state resort community on her department security-clearance forms.

A spokesman for the Greenwood Lake Police Department in New York confirmed that she was arrested on a grand larceny charge in the village of Greenwood Lake in 1969. She was then known as Linda Carotenuto and was 19 years old.

The New Yorker magazine is reporting in its

upcoming issue that Ms. Tripp was accused on May 12, 1969, of stealing \$263 and a watch worth \$600 from hotel rooms at the Lake Pond Inn.

The magazine said that in her security-clearance application on April 14, 1987, she reported that she had never been "arrested, charged, cited or held" by any law enforcement agency.

It can be a felony under federal law to knowingly make false statements on security forms.

"If the investigation finds that this has been confirmed, then it is a very serious situation," said Lieutenant Commander James Graybeal of the Pentagon.

The disposition of the 1969 charge is unclear, said Mark Kotlarich, a police sergeant in Green-

wood Lake. "We did make an arrest on her," he said. "They have not found the disposition."

Ms. Tripp is a public affairs officer at the Pentagon and is paid \$88,000 a year. She is currently working out of her home on a flexible schedule while Kenneth Starr, the independent counsel, pursues her allegations that Ms. Lewinsky asked her to lie about an alleged affair between President Bill Clinton and Ms. Lewinsky, a former White House intern.

Ms. Tripp's attorney, James Moody, said she had told him that she was "set up" during the arrest 29 years ago. After the arrest, she appeared in court for an arraignment. Mr. Moody said the charges appeared to have been dropped at that time.

## Away From Politics

• While the number of American children living in poverty has declined from the peak of 1993, children younger than 6 remain the poorest age group in the nation, according to a study by the National Center for Children in Poverty.

• The crew of a Marine jet that severed a gondola cable in Italy, killing 20 skiers, returned to the United States over the weekend to face possible charges. An investigation has placed the blame for the tragedy on the four crew members, saying they broke rules on how fast and how low they could fly.

• Broadway musicians canceled a strike

vote after reaching a tentative deal with theaters and producers. The proposal calls for wage increases of 21.5 percent over five years.

• A former teacher imprisoned for having sexual relations with a 14-year-old boy is pregnant for a second time by the teenager, a newspaper reported. Mary Letourneau, 36, who last month was sentenced to more than seven years in prison on child rape charges, is six weeks pregnant and plans to carry the baby to term, according to the Seattle Post-Intelligencer, which quoted an unidentified source. "She is absolutely giddy," the source said. (Reuters)

AMERICAN  
TOPICSCalifornia Bar Owner Becomes Butt  
Of the State's No-Smoking Statute

A bar owner in Auburn, California, has been convicted of two infractions for allowing patrons to light up in violation of the new state anti-smoking law. It was apparently the first such trial under the law that bans smoking in more than 35,000 bars and casinos. The owner, Bill Osterander, was fined a total of \$300.

Mr. Osterander said he had posted signs about the law and told patrons not to smoke, but he could not force them to stop. "It's not my job," he said.

People attending the trial hooted when police testified that, at one point, four patrol cars were parked outside Mr. Osterander's bar to investigate smoking complaints.

A California man who stole four chocolate chip cookies from a restaurant must serve at least 26 years in prison under the state's "three

strikes" law. Judge Jean Rheinheimer refused to reduce the sentence given in 1995 to Kevin Weber of Santa Ana, who previously had been convicted of burglary and assault with a firearm.

Three-strikes laws mandate tough punishments after a third conviction. Mr. Weber, 34, is one of dozens whose three-strike sentences were re-evaluated following a 1996 Supreme Court decision giving judges flexibility in sentencing.

Kelvin Floyd of Aiken, South Carolina, managed to strike himself out. When he stole a car last summer, he was smart enough to file off the engine identification number. But when police later seized a stolen engine, they had little trouble tracing it. Floyd, apparently hard-pressed to come up with nine random digits, had replaced the number with his own Social Security number.

In Turners Falls, Massachusetts, the folks are all a-flutter about a few birds. The local cable television channel broadcasts a live, but usually not very lively, image of sticks stuffed in the nook of a dead white pine tree. But every now and then a bald eagle, sometimes two, flies into the picture, and the sticks become a nest. Suddenly, Channel 6 and the little riverside village are transformed, reports The Boston Globe.

"Bird on the nest! Bird on the nest!" people shout. Folks run for their TV screens or grab a

phone to call friends. The televised drama climaxed last spring when a first televised batch of eagles' eggs failed to hatch after a heavy snowstorm. Now people are waiting to see what happens with a new set of eggs, and how the parents, one of just nine pairs of nesting bald eagles in the state, react. Local folks, in any case, have reacted so excitedly that the cable channel is thinking about spinning a fox den, perhaps, maybe even a field of wildflowers.

In the past few years, so few swallows have made the 7,500-mile (12,000-kilometer) flight from Argentina back to San Juan Capistrano, California, that city officials and the famous mission there have begun offering free lunches, spreading ladybugs and (for desert) lacerating larvae around the mission to entice the birds.

Regardless, it looks like there will be more tourists than swallows again this year for festivities that end Thursday. Bird experts blame urbanization. The mission was once the only building in the area, and because it is near a creek, the swallows built their mud nests there. Now there are plenty of buildings to distract the birds. A few years ago, a craftsman built clay nests and placed them under the mission's eaves. The swallows evidently saw through the ruse.

Brian Knowlton

## BusinessWeek

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## ASIA/PACIFIC

Congress Party  
And a Gandhi  
Keep Dynasty  
Going in IndiaBy John F. Burns  
New York Times Service

NEW DELHI — Sonia Gandhi was elected president of India's Congress (I) Party over the weekend, defying Indians who had said Mrs. Gandhi, Italian born and until recently immersed in domestic life, was not fit to head the organization that led India to independence 50 years ago.

Mrs. Gandhi's election on Saturday reaffirmed the family dynasty that has dominated the party since the days of Jawaharlal Nehru, India's first post-independence prime minister. He was the father of Indira Gandhi and grandfather of Rajiv Gandhi, Sonia's husband, who were prime ministers in the 1960s, 1970s and 1980s and who were both killed by assassins.

Mrs. Gandhi was first offered the post within 24 hours of her husband's death on May 21, 1991, but she refused it, saying she did not wish to expose her family to further risk.

In accepting the post of Congress Party president, Mrs. Gandhi, 51, found herself a central player in a political drama that was tinged with farce. Although the man she replaced, Sitaram Kesri, 82, announced earlier in the week



Sonia Gandhi greeting backers Sunday at her home in New Delhi after becoming head of the Congress Party, which led India to independence.

that he would submit to pressure from other party leaders for his resignation, he stalked out Saturday when a meeting of the party hierarchy demanded that he quit immediately.

Within the hour, Mr. Kesri called a news conference, denounced his ouster as "illegal and unconstitutional," and vowed to take his case to "the court of the people."

Mrs. Gandhi herself appeared to have been reluctant to make the move, despite the adulation that greeted her across India as she campaigned for the

Congress Party in the election that culminated with three days of staggered voting across the country in late February.

Aides said Mrs. Gandhi, who has dedicated her life since her husband's death to raising a son, Rahul, 27, and a daughter, Priyanka, 26, and to running foundations dedicated to her husband's memory, had agreed only when party leaders assured her that a "working" president of her choice would take care of day-to-day party work.

## U.S. Backs Away From Anti-China Vote

## Washington Ends Support for UN Resolution on Human Rights

By Philip Shenon  
New York Times Service

WASHINGTON — After deciding last week to move up a presidential trip to Beijing, the administration has given China another important boost by dropping American sponsorship of an annual United Nations resolution condemning China's record on human rights.

The move, which effectively kills a resolution before the UN Human Rights Commission in Geneva, was described by senior officials as a response to Beijing's recent efforts to improve its rights record, including its decision this week to sign an important international human rights treaty.

"China still has an enormous way to go, and we intend to press them at every opportunity," a senior administration official said. "But in light of these steps, we have decided not to sponsor the resolution. It's certainly not a reward. It is being done as a calculation. It is being done because we believe it is the way to make progress in the future."

The official hinted strongly that China had agreed to release a number of prominent political prisoners if the United States dropped its sponsorship of the resolution. "I believe there will be further releases," he said, declining further comment. "Lives are at stake."

The administration's decision was denounced by human rights groups, which said the administration was abandoning one of its best tools to press Beijing to end what the administration agrees are

widespread human rights violations.

The annual resolution, first introduced at the commission in 1990 after the massacre of unarmed civilians near Tiananmen Square the year before, has infuriated China, even though it has never been adopted by the 53-member commission. The commission is to open its annual meeting in Geneva next week.

"If the president visits China without clear human rights preconditions and also drops any resolution at the UN Human Rights Commission in Geneva, what leverage will the United States use to press for concrete progress?" asked Mike Jendrzewski, Washington director of Human Rights Watch Asia. "They've caved."

The White House announced last week that President Bill Clinton, who would be the first U.S. president to visit China since the 1989 crackdown, had moved up his trip to June from November in order to build on progress made during the visit by President Jiang Zemin of China to the United States last autumn. Chinese officials leaped at the proposal for an earlier meeting.

The administration's steps to improve relations with China came as Mr. Clinton sought to play down the importance of new evidence that China had tried to sell nuclear technology and equipment to Iran.

The president said that the sale, first disclosed by the U.S. State Department in testimony before Congress on Thursday, was halted in response to an American protest last month. "The Chinese

followed through on it and kept their agreement to the letter," Mr. Clinton said. "I am well pleased, actually, with the way that issue came out."

Administration officials said that soon after Mr. Jiang agreed during summit talks last year to halt nuclear cooperation with Iran, the United States learned about negotiations concerning the sale to Iran of tons of chemicals that could enrich uranium for nuclear weapons.

Far from seeing the incident as a violation of the American-Chinese pact, administration officials said that only low-level Chinese officials had negotiated with the Iranians and that senior Chinese government leaders had blocked the sale as soon as it was brought to their attention by the United States. "Chinese authorities investigated the matter and promptly informed us that a transaction like that had not been agreed to and that China had no intention of making such a transaction," said James Rubin, the State Department spokesman. "This is a case that demonstrates how nonproliferation works."

The administration's critics on Capitol Hill, however, viewed the incident as fresh evidence that China's commitment to its nuclear agreement with the United States was still in question. Senator John Ashcroft, Republican of Montana, who is a member of the Senate Foreign Relations Committee, described the potential deal as troubling and said Mr. Clinton had a "policy of blind engagement" toward Beijing.

Administration officials said — and human rights groups agreed — that the decision to drop sponsorship of the human rights resolution probably meant that no resolution against China would be offered this year.

Last year, the resolution, sponsored by the United States and Denmark, was defeated, 27 to 17, after a vigorous lobbying campaign by the Chinese government, which labeled the resolution "an outrageous distortion of China's reality."

## Iran Denies End to China Aid

Iran denied Sunday that China had ended its nuclear cooperation with the Islamic republic, saying implicitly the "peaceful" partnership would continue. Agence France-Presse reported from Tehran.

"The baseless allegations in recent days by American newspapers and officials is a repeat of the same propaganda," said Mahmud Mohammadi, a Foreign Ministry spokesman. "Iran's nuclear program and cooperation with other countries is entirely peaceful, in accordance with international regulations and under the supervision of the International Atomic Energy Agency," Mr. Mohammadi added. He was quoted by the official Iranian press agency IRNA.

## Murdoch's 'Waiting Game' in China: A Lot of Give, Little Take

By Seth Faison  
New York Times Service

SHANGHAI — One of the paradoxes of Rupert Murdoch's bend-over-backward efforts to keep good relations with China is that he has been so badly frustrated here.

China's media market is still so tightly closed to foreign companies and the authorities are so suspicious of international media companies like Mr. Murdoch's News Corp. that 10 years of wooing and genuflection have yielded almost nothing so far.

The recent embarrassment to News Corp.'s book unit, HarperCollins — which apologized to the former governor of Hong Kong, Chris Patten, after dropping his book for its anti-China content — might have an economic rationale if there were a heavy payoff in the Chinese market to compensate. Yet media executives and consultants say profitability

in China is so far in the future that no one can predict when it will come.

Mr. Murdoch has put well over \$1 billion into a satellite television network, Star TV, which broadcasts in several Asian countries and is intended to be News Corp.'s route into China, where more than 300 million homes have television sets, the world's largest potential market.

But winning approval to broadcast, collecting subscription fees and selling advertising are proving so difficult that media executives measure progress in tiny increments. China's entertainment industry is coming alive, yet business opportunities remain maddeningly elusive to foreign operators.

News Corp. executives argue that they are taking the long view and that, with a small toe in the door, they are ahead of their competitors.

"It's all about position, position, position," said Bruce Dover, the com-

pany's chief representative in Beijing. "Our strategy is to be ready for the day when the door opens."

Mr. Dover pointed to Star TV's partial ownership of a Hong Kong company, Phoenix Satellite Television Co., as an important, if modest, sign of progress. The Phoenix channel, with Chinese-language programming, broadcasts cheerful dramatic shows that consultants say will have difficulty winning cable viewers with 40 channels to choose from.

Limited mostly to viewers in international hotels and to a cable network in a single Chinese city, Guangzhou, Phoenix reaches a tiny segment of China's viewers. Star TV claims that 35 million homes have access to Phoenix, though independent consultants say that is probably optimistic.

Even worse, Phoenix broadcasts are still technically illegal, because the Ministry of Radio, Film and Television has yet to grant formal approval. Officials

are clearly aware of Phoenix's broadcasts, and they are essentially reserving the right to block them at any time.

The same is true for Star TV's four channels, which carry music videos, sports, movies and English programs.

The brightest aspect of Phoenix, consultants say, is that Star TV shares ownership with two companies, Today's Asia of Singapore and China Wise of Hong Kong, that have their own connections to China's television industry. Star TV and Today's Asia each own 45 percent; China Wise owns 10 percent.

"China is so tightly controlled that such a joint venture is quite an achievement," said John Wong of the Boston Consulting Group, who advises media companies in China.

Mr. Dover said Star TV, which Mr. Murdoch bought for \$900 million in 1993, had lost perhaps \$100 million a year until last year, when its loss was reduced to \$40 million. It will break

even in 12 to 18 months, he estimated.

Although Mr. Murdoch has visited China many times, courting Chinese leaders, he attracted the most notice here in 1993 when he said in a speech in London that technological advances like satellite TV were "an unambiguous threat to totalitarian regimes everywhere."

Alarmed, China's leadership promptly banned individuals from buying satellite dishes.

Mr. Murdoch's efforts to repair ties to Beijing — by yanking the BBC news service from Star TV's broadcasts, by authorizing a \$1 million book contract at HarperCollins for Deng Xiaoping's daughter, and by reaching a minor Internet deal with the People's Daily — have yet to win back encouragement.

"It's a waiting game," a Star TV executive said, referring to Mr. Murdoch's plans in China. "He realizes it's going to be a long, long trip."

## BOOKS

## SHADOW WARS

By Clyde Farnsworth. 419 pages. Donald I. Fine Books/Penguin. \$24.95.

Reviewed by George Stade

THE foreign correspondent is likely to think he has a novel of intrigue in him because of all he knows that's not fit to print — just as the professor of English is likely to think she has a whodunit in her because of all she thinks she knows about the mysteries of fiction.

On this score, correspondents and professors tend to be wrong. Clyde Farnsworth, however, a former New York Times bureau chief in Canada, was right — he did have a thriller in him, although it is very much a correspondent's thriller.

The thrills in "Shadow Wars" begin with Dmitri Sherbatov, a Russian physicist who has discovered the secret of controlled nuclear fusion, which can provide the vast energies required to activate another of Sherbatov's discoveries, how to turn bismuth into gold. (Farnsworth is good at making impossible physics sound plausible.)

But Sherbatov has had it with Russia: There's corruption, there's anti-Semitism, entrepreneurial racketeers are running wild and his superiors, dubious, want him to work on high-tech weaponry.

So he allows himself to be smuggled out of Siberia by two intrepid, salt-of-the-earth Israeli agents ("arms like loaves of peasants' bread") of the kind already familiar to readers of light literature. The Israeli government sets him up with a supersecret desert complex for making gold, which Sherbatov does, in abundance.

The gold is a blessing for Israel's economy, but otherwise accursed. Rafe Ben Giron, for example, the minister of energy and natural resources, a right-wing zealot, skims off enough gold to finance his causes, unsettle Palestinians and swell his Swiss bank account. Rachel Ravid, a peacenik physicist who works at the desert complex and is soon to become the novel's female lead, figures out what is going on.

She tells her father, a liberal, who, in the hopes that American participation will create good will and end the

corruption, tells a CIA agent, who tells his boss, who tells the president, who sends over Hillsdale Landover, a distinguished physicist, to check things out. Landover is now on the verge of becoming the male lead.

The professor and the peacenik have scarcely become acquainted when they find themselves on the run. Ben Giron sends his vile security chief, Simon Bloom, out to silence them, lest news of Sherbatov's alchemy drive the market value of gold down and out of sight.

Out of Russia, the West Bank and the CIA come the mad dogs willing to trade corpses for gold.

Even one of the president's security advisers, driven by intra-office rivalries, sends out a crew of repulsive types to apply Force Majeure, the agency euphemism for assassination. As Farnsworth depicts them, secret service operatives with a license to kill are on the whole physically repellent, ethically null and sexually brutish. The good guys, on the other hand, are essentially sexless.

The chase takes us from Israel to Egypt to Switzerland to Paris to Washington, across deserts, over rooftops and through the Zurich sewer system. Along the way, there are hair's-breadth escapes, flabbergasting treacheries and the casual slaughter of bystanders.

The action is furious, but it is not fast. Farnsworth's instincts as a reporter keep interfering with his resolve to tell a story. He constantly interrupts himself to enjoy the scenery, brief us on local history, show us the sights — there a polluted lake, there a notorious nightclub, there an architectural anomaly; here's how the commodities market works; here are some facts you may not know about the Dead Sea; here's the story behind the Old Executive Office Building in Washington, the story behind Saddam Hussein's big cannon. For every new character introduced, and there are scores of them, we get a page or two of biography, no matter how incidental the character — a car rental agent, a concierge.

These biographies, the scene painting and the history, even the archeology, can shed a kind of faint light on the action, but sometimes Farnsworth's compulsion

to inform gets out of hand. If someone packs a weapon, we have to be told that it is "a Fabrique Nationale 9mm automatic pistol bought recently in Gaza for \$239," never mind that Farnsworth is talking about a semiautomatic.

Nevertheless, I found "Shadow Wars" a good read. The prose is almost always a pleasure; the scenes of action are vivid, the touches of poetry, as when we read of "stars like particles of rice spilled on velvet," deft, except when Farnsworth shows off, as when we read of "the stridulations of the locusts."

The broad farce of the strategy sessions within the highest circles of Washington and Baghdad is delicious. The chicanery, sycophancy, malice, corruption, heartlessness, jockeying for position, self-absorption, arrogance and cluelessness of the powerful are convincingly enough rendered to confirm our worst suspicions. The journalists, however, are nice, even when their articles are cut by editors. The only option, obviously, is to write a novel.

George Stade, a professor of English at Columbia University, is the author of the novel "Confessions of a Lady-Killer." He wrote this for The New York Times.

## BRIDGE

By Alan Truscott

IN the abstract, there is almost always a right and wrong way to play a suit combination. But there are some interesting exceptions, and the North-South diamond combination shown in the diagram is one of them. We need four tricks, and we shall assume that the suit does not split 5-0.

The right technical play is to cash the ace and play low to the 10, failing only when the left-hand opponent has a doubleton jack, or both king and jack guarded at least once. But if East is an experienced player, a psychological play is slightly better: Lead low from the dummy, hoping that he will err by playing the king from a doubleton or triplet king. Your intention is to play the 10, and if this loses to the jack, you will later run the queen, playing West for the king as well as the jack.

If East hesitates and plays low, he is marked with the king. But did he start with K x x or K J x x? It is not easy. This assumes that there is no clue from the bidding. There was one on the diagramed deal from a duplicate game at the Beverly Club in Manhattan. North and South climbed to a sensible six-club contract and succeeded. Notice that three no-trump would have failed, since the declarer cannot cash the clubs.

South won the heart lead with dummy's ace, led to the club king, and discovered the

bad break. The marked finessé of the club nine was taken, and the ace was cashed.

Sitting South was Paulette Aides of Manhattan, and she now faced the diamond situation. East's foolish double of six clubs, following his overcall, had made it a virtual certainty that he held the diamond king. South therefore made a good play by leading a low diamond with the intention of putting up the queen. East put up the king, and the rest was easy. This helped North-South to achieve a 72 percent game.

The alternative play, a fraction better, was to ruff dummy's remaining heart at the fifth trick, draw the missing trump, and lead to the diamond ace. There would still be a guess in diamonds, but South would no doubt play for that suit to divide 3-2 rather than 4-1.

North and South were vulnerable.

NORTH		SOUTH (♣)	
♠ A 10 8 7 3	♠ A 5	♠ A 3 2	♠ A 3 2
♥ Q 4	♥ J 8 7 6	♥ Q 10 9 7 6	♥ K Q 10 7 5 3
♦ A 5 3	♦ A 9 2	♦ A 9 2	♦ A 9 2
♣ A 9 2	♣ A 9 2	♣ A 9 2	♣ A 9 2

The bidding:  
North: 1♣, 2♦, 3♣, 4♣, 5♣, 6♣, 7♣, 8♣, 9♣, 10♣, 11♣, 12♣, 13♣, 14♣, 15♣, 16♣, 17♣, 18♣, 19♣, 20♣, 21♣, 22♣, 23♣, 24♣, 25♣, 26♣, 27♣, 28♣, 29♣, 30♣, 31♣, 32♣, 33♣, 34♣, 35♣, 36♣, 37♣, 38♣, 39♣, 40♣, 41♣, 42♣, 43♣, 44♣, 45♣, 46♣, 47♣, 48♣, 49♣, 50♣, 51♣, 52♣, 53♣, 54♣, 55♣, 56♣, 57♣, 58♣, 59♣, 60♣, 61♣, 62♣, 63♣, 64♣, 65♣, 66♣, 67♣, 68♣, 69♣, 70♣, 71♣, 72♣, 73♣, 74♣, 75♣, 76♣, 77♣, 78♣, 79♣, 80♣, 81♣, 82♣, 83♣, 84♣, 85♣, 86♣, 87♣, 88♣, 89♣, 90♣, 91♣, 92♣, 93♣, 94♣, 95♣, 96♣, 97♣, 98♣, 99♣, 100♣.

## BRIEFLY

## Chinese Parliament Set for Vote

BEIJING — As Parliament prepared to elect Prime Minister Li Peng as its chairman Monday, his supporters have begun a lobbying campaign to ensure that he wins a strong majority.

"It will be embarrassing for the prime minister if he fails to get a high majority vote," said a delegate from southern Guangdong Province. "But there are differences among deputies."

Mr. Li, the only candidate for the post, is widely blamed for ordering the Tiananmen Square crackdown in 1989 even though the decision to send in the troops against student protesters was a collective one. In recent weeks, dissidents have protested his candidacy for chairman.

Some delegates also complained that he would not be as strong a supporter of more parliamentary powers as his predecessor, Qiao Shi.

The Parliament will also vote on two other posts Monday, state president and head of the military commission. The current holder of both posts, Jiang Zemin, is certain to be re-elected.

## Remembering My Lai Massacre

CO LUU HAMLET, Vietnam — The families of My Lai massacre victims paid quiet tribute to their memories Sunday, some weeping as they recalled the horror 30 years ago of one of the most brutal moments of the Vietnam War.

In villages across this section of central Vietnam, people were burning incense and praying to lost relatives as they shared a ritual meal marking the eve of the anniversary of the 1968 slaughter.

On March 16, 1968, U.S. forces entered Co Luu. My Lai and other nearby hamlets in an area suspected of being a Viet Cong stronghold. About 500 people died in the bloodbath that followed. No known soldier was among them.

The military said seven soldiers were killed and 41 wounded in the fighting Saturday, while 18 Tamils died. Mankulam is the last major rebel-held town on the highway that links Vavuniya with Kilinochchi to the north.

## Chinese General Urges Reform

BEIJING — A senior Chinese general says that inefficiency and sloppiness could be the military's worst enemy in wartime, the Xinhua press agency said Sunday.

General Fu Quanyou, chief of the general staff of the People's Liberation Army, also urged the army to learn from market reforms and not to rely on imported weaponry, Xinhua said.

"Because the forces are not up to date in concepts of war, staff qualifications and weapons, this is a serious challenge for military reforms," Xinhua quoted General Fu as saying in a magazine article to be published Monday.

The general said reform of China's vast military machine, with 3 million troops and a sprawling network of commercial enterprises, was needed to catch up with market-style changes in civilian sectors.

## Britain and

By Warren Hoge

FAST — Fearful of losing the balance of the conflict in Northern Ireland, the governments of Britain and Ireland have decided on the risky path of driving the lagging peace process to an early conclusion.

Under Decides  
Keep Austria  
Neutral - And  
of NATO

By William Drezdzick

PARIS — After an intense debate whether to abandon Austria's neutrality, Chancellor Viktor Klima's government has ruled out any future membership in the North Atlantic Treaty Organization.

There has been under fierce pressure from the conservative People's Party to join the Western alliance, and he had accepted the offer of the Social Democrats, but that even in the post-Cold War era, Austria has been a neutral state since 1955.

Mr. Klima said in a televised interview in his belief we can better concentrate our efforts on European security and relations with all the East and the West."

Klima said his government's decision to remain neutral is a "partnership for peace" that provides for military and cooperation with nonmember states.

But he emphasized that Austria would maintain good relations with Russia, which has bitterly opposed NATO's expansion into Central Europe.

With excellent democratic and a prosperous economy, Austria has been seen as an ideal candidate for NATO's political and military alliance.

They have been ardently courted by the government to apply for membership in a second round of the following the induction of a Czech Republic and Hungary, when alliance leaders will meet in Washington to celebrate the anniversary.

Wesley Clark of the United States, chief military commander of NATO, visited Austria and its proximity to the Balkans, a potential flash point should the membership an attractive prospect for Austria — as well as to General Clark and other NATO leaders.

Clark said Austria would be a "valuable force in Bosnia" and that Austria's membership in NATO also would be a "potentially troublesome" prospect, which has no border with NATO member.

Europe from the southeast, Clark said in a speech last month at the Political and Strategic Conference in Vienna.

"It's clear that Austria will remain unaffected by the Balkan situation and seems to us that it can play an important role in its history, traditional and strategic location."

Austria's security order was a "challenge for its own government," General Clark repeatedly said. "Austria would be a NATO member."

He said that Austria had joined NATO and that it was not its fair share of security.



## EUROPE

## Britain and Ireland Go to the Brink to Resolve the 'Troubles' in Ulster

By Warren Hoge  
New York Times Service

BELFAST — Fearful of losing the best chance in three decades to forge a settlement of the conflict in Northern Ireland, the governments of Britain and Ireland have decided on the risky strategy of driving the lagging peace talks to an early conclusion.

To many people in the two countries, with their booming economies, youthful, buoyant images and claims on leadership in modern Europe, Northern Ireland, with its sectarian bloodshed and dark face to the world, is an embarrassment, a persistent irritant, a partitioned place on the wrong continent.

Patience, in addition to time, is running out.

Antagonists for much of this century, Britain and Ireland are now on an equal national footing and united in their resolve not to lose this chance to attack a problem so wearisome familiar to both societies that it is identified simply as the Troubles.

Northern Ireland has been tormented by a cycle of violence and revenge played out between a Protestant majority, which wants to remain part of Britain, and a Catholic minority, which wants to unite with the Catholic-dominated Irish Republic to the south. For

five months, nearly all parties have been sitting around the same table, haltingly debating terms of a settlement.

The talks are going on at a moment when the major paramilitary groups, which have accounted for more than 3,235 deaths since 1969, have decided that the war is unwinnable solely by military means, and the Catholic population has become emboldened in challenging the long-dominant Protestants.

The cease-fires underlying the negotiations have given the residents of the North an extended respite from widespread bombings and shootings, and the people of Ulster long to make that a permanent feature of life.

"They're revolted by the fear of going back," said Mo Mowlam, the British secretary for Northern Ireland.

When the negotiators return here after St. Patrick's Day on Tuesday, they will have before them working papers drafted by London and Dublin, and an Easter deadline to produce an accord. The hope is to submit the agreement to simultaneous referendums in Northern Ireland and Ireland in May and have elections to a new local Parliament in June.

By moving the deadline ahead six weeks to April 12 and by using deliberately bullish language — Prime Minister Tony Blair of Britain said last week that a settlement was "agoniz-

ingly close" — the two governments imply that they may impose a solution if the talks fail.

They hope that threat will provide shock treatment to a procedure that is so severely blocked that the members of the largest Protestant group in the room, the Ulster Unionist Party, will not even speak directly to negotiators facing them from Sinn Féin, the political wing of the Irish Republican Army.

The risk is that if the settlement that emerges appears to be imposed, and not the product of the eight local parties in the talks, it will fail to get the necessary support of the parties themselves or to attract the critical backing of the voters.

"We have declared a precipice," said an official in the Northern Ireland office in London, "and the danger is that when you approach a precipice, you can fall off."

The governments worry about the growing violence from underground splinter groups opposed to the negotiating process, and fear that the tribal political customs of this divided province will not produce compromise without a strong prod.

They are also determined to have new structures in place before the black-suited men of the Protestant Orange Order swagger onto the streets in July in

their annual marching ritual, which in recent years has caused riots across Ulster.

The Catholic cause is in the ascendancy. The Catholic percentage of the population is increasing and they are moving in substantial numbers from working class to middle class as opportunity long denied them begins to open up.

In Gerry Adams, president of Sinn Féin, and in John Hume, head of the Social Democratic and Labor Party, who has long sought peace talks, the Catholics have Northern Ireland's most skillful strategist and its most widely admired public figure.

"When I was growing up here, you always referred to the Unionist monopoly," said David McKitterick, a journalist and author of several reference works on the North. Until 1966 all of Ulster's 12 representatives in the British Parliament were Unionists, but now the province's complement of 18 members includes five Catholics, and the Protestants have split into three parties.

The contrast between Ireland and Northern Ireland has been turned on its head as the economy to the South has boomed and the one here has stagnated.

As a consequence, many Protestant business executives do not share their political leaders' abhorrence of Dublin.

"They want a slice of the Celtic tiger," said Mr. McKitterick.

The participants in the talks know the overall shape of the agreement and can anticipate the concessions they will be asked to make. Sinn Féin has to put off its dream of a united Ireland, and the Protestants will have to accept more involvement by Dublin in the affairs of the North.

"The political pull in Northern Ireland is not toward the center but away from it," said a principal in the closed-door talks. "Catholics have always voted for Catholics, and Protestants for Protestants, and compromise is a foreign concept. There is no win-win, only winners and losers, and that's a part of their history, culture, vocabulary and experience."

The level of violence from fringe underground groups opposed to the cease-fires and the negotiating process is rising now that the talks appear closer to a resolution and the dissidents become more desperate to undermine them.

It is a testament to the political will and the public longing for an end to the bloodshed that the nearly 20 sectarian killings since Christmas, many of them of a particularly random savagery, have not succeeded in toppling the talks. Ms. Mowlam said she expected new acts of violence in the weeks to come but thought the talks could withstand their

impact. What is at issue is the future of this province of 1.6 million residents, roughly 55 percent Protestant and 45 percent Catholic.

The Catholics want links to the Republic of Ireland, ranging from a joint assembly to outright unity; the Protestants want to reinforce Northern Ireland's identity as part of Britain. In general, Catholics are happy to call themselves Irish; most Protestants insist on being called British.

The proposal that leaders hope will lead to swift settlement and rapid voter endorsement is a three-part plan aimed at giving the two sides enough to sell to their constituencies without arousing deal-breaking suspicions from the other side.

The framework is based on three new institutions: a legislature for Northern Ireland, a ministerial council linking Belfast and Dublin and a consultative council that twice a year will bring together ministers from the British and Irish Parliaments.

Other matters — the police, the fate of prisoners, disarmament and inequalities like the high rate of joblessness among Catholics — will be assigned to commissions. Protestants, who desire as little change as possible and are reluctant participants in the talks, tend to want to leave things vague. The Catholics, eager for maximum change, focus on details.

## Leader Decides To Keep Austria Neutral - And Out of NATO

By William Drozdiak  
Washington Post Service

VIENNA — After an intense debate about whether to abandon Austria's neutralist traditions, Chancellor Viktor Klima says his government has ruled out applying for early membership in the North Atlantic Treaty Organization.

Mr. Klima has been under fierce pressure from the conservative People's Party, the junior partner in his ruling coalition, to join the Western alliance. But he said he had accepted the arguments of his fellow Social Democrats, who contend that even in the post-Cold War era, Austria must scrupulously uphold a neutral status that has been a basic part of its identity since 1955.

"Austria will not become a member of any military bloc," Mr. Klima said during an hour-long interview in his office. "We believe we can better contribute to the interests of European security by staying outside the alliance and maintaining good relations with all countries in the East and the West."

Mr. Klima said his government would strive to enhance ties with NATO through its Partnership for Peace program, which provides for military and political cooperation with nonmember countries. But he emphasized that Austria also wanted to maintain good relations with Russia, which has bitterly opposed NATO's expansion into Central and Eastern Europe.

As a country with excellent democratic credentials and a prosperous economy at the crossroads of Europe, Austria was seen as an ideal candidate by the alliance's political and military leaders. They have been ardently courting Mr. Klima's government to apply for membership in a second round of enlargement following the induction of Poland, the Czech Republic and Hungary in 1999, when alliance leaders will gather in Washington to celebrate NATO's 50th anniversary.

General Wesley Clark of the United States, NATO's chief military commander, recently visited Austria and stressed that its proximity to the Balkans and other continental flash points should make NATO membership an attractive proposition to Austrians — as well as to the alliance. General Clark and other military experts say Austria would provide a convenient land bridge to NATO's peacekeeping forces in Bosnia and other volatile places in southeastern Europe. Having Austria in NATO also would solve a potentially troublesome factor for Hungary, which has no border with a current NATO member.

"We see increasing challenges to security in Europe from the southeast," General Clark said in a speech last month to the Institute for Political and Strategic Studies in Vienna. "It's clear that Austria will not remain unaffected by the challenges ahead. And it seems to us that Austria is going to play an important role in European security by its history, traditions and its geostrategic location."

While acknowledging that Austria's role in Europe's security order was a sovereign decision for its own government to make, General Clark repeatedly emphasized that "Austria would be most welcome" as a NATO member.

Other countries in the region that are clamoring to join NATO would be flattered and delighted by such attention, but Austrians have been unmoved by the appeals of General Clark and NATO's secretary-general, Javier Solana. Opinion polls show a clear majority remains opposed to joining the alliance and wants to continue enjoying the fruits of neutrality, which include a lean military budget that accounts for less than 1 percent of the country's gross national product.

Foreign Minister Wolfgang Schüssel, who heads the People's Party, argued that neutrality no longer made sense now that Austria had joined the European Union.

But Mr. Klima said that staying outside NATO should not inhibit Austria from carrying out its fair share of security responsibilities.



BACK AGAIN — Todor Zhivkov, who ruled Bulgaria for 35 years, speaking Sunday in Kremikovtsi at a meeting of the former Communist Socialist Party. Mr. Zhivkov, expelled from the Communist Party after he was overthrown in 1989, has joined the Socialists.

## In the Hills of Kosovo, Armed Resistance Continues

By Chris Hedges  
New York Times Service

LAUSA, Yugoslavia — A short burst of automatic weapons fire sent villagers scurrying for cover down a narrow dirt street.

There they gathered behind a wall of red cinder blocks and scanned the hills tops nervously.

"There are Serbian snipers all through the hills," said Muharem Geci, 56. "They are in positions on the ridge tops every few hundred meters. When they see movement in the street, they fire. Six villagers, including two small children, have been killed in the last week. We go get the bodies at night."

The sweep of the Kosovo Province over the last two weeks by police and paramilitary units, which has left about 80 ethnic Albanians dead, was intended to crush the outlawed separatist group, the Kosovo Liberation Army.

It appears, however, that dozens of fighters from central Kosovo, where the attacks took place, have escaped in small groups to the hills. Gunfire echoes through these valleys. The police have built heavily sandbagged positions at road blocks, and late Friday afternoon mortar rounds exploded in the distance.

The rebels, who fired on a police checkpoint less than two kilometers from here Thursday, appeared to be shifting the center of their operations. In remote hamlets in the hills they are

nursing their wounded, collecting their weapons and establishing new bases. There were also reports of armed groups collecting near the border with Albania.

"These armed groups appear to have scattered to new areas," said Veton Surroi, editor of the Albanian-language daily Koha Ditore. "We may have just become Latin America."

The ethnic Albanians, mostly Muslims who make up 90 percent of the 2 million people in Kosovo Province, are edgy and suspicious, often denying any knowledge of the rebels.

Some farmers, however, have helped the guerrilla bands.

On a remote farm a few kilometers from Lausa, a man wounded twice in the Serbian assault on the village of Prekaz from March 5 to March 7 lay on a mattress in a small shed.

A doctor who walked around the police checkpoints had tended to him a few days earlier, but the patient had no medicine or sterile bandages for his wounds.

The man and the people sheltering him asked that neither they nor their location be identified.

"I have lost the feeling in one of my legs," he said weakly. "But it is too dangerous to send anyone again for medical help. If the Serbs find out that I am here, they will come and butcher

everyone in this house. It is better for me to die than put them at risk."

The carnage may have spawned the low-intensity war that the Serbs were hoping to avoid. There had been no withdrawal of the hundreds of special police units, and on Friday trucks were setting up portable metal living units for the police.

Yugoslavian officials, who said they were engaged in a mopping-up oper-

## In remote hamlets, the separatist guerrillas are nursing their wounded, collecting their weapons and setting up new bases.

ation, also conceded that the rebels were firing nightly on police positions.

The people in this region are no strangers to rebellion and violence. Most families have sepia photos of fathers and grandfathers who died in vain struggles against the Serbs for independence.

"This is the third time I have felt in my bones the risk from the Serbs," said Lah Geci, 72, leaning on a wooden cane.

"The first was in 1941 when the Germans came. They weren't so bad, but the Chetniks attacked them and tried to kill us all," he said, referring to the Serbian royalist forces.

"Then in 1945 we wanted our independence and there was another fight," he said, "and now again Friday."

As Mr. Geci spoke, a young man in a black leather jacket came up behind him. Shaban Geci, 18, lost his father, Osman, in the Serbian attack on the neighboring village of Prekaz. Many of the ethnic Albanians in the village, a stronghold of the rebel movement, fired back on the police, while thousands, including members of his family, fled their homes.

"I hope the Serbs never touch us again," the youth said. "If they do, there will be a war. Everyone will rise up."

Most ethnic Albanians, however, appear for now to be preoccupied with their security and the effort to return to their homes.

Shani Geci, 43, sat on an old brown vinyl car seat in front of his house drinking a cup of coffee. He is one of the few men to remain in the village of Lausa, 40 kilometers west of Pristina. He winced as shots rang out a few hundred meters away.

"I don't try to find out what is happening," he said. "It is too dangerous. I am an innocent man with no rights and no job. If they want to kill me, they can come and kill me in my house. My hands are empty. They have guns. For them it would be an easy thing."

Russia said last week that it would continue to defy U.S. opposition to its helping Iran build a nuclear power plant, and should the United States decide this month to inflict sanctions on Total or other French and Russian interests under the despised extraterritorial Iran-Libya Sanctions Act, U.S. relations with both France and Russia could enter one of their worst crises since the Cold War.

When the United States pressed Russia and its three biggest European allies in London last week to impose sanctions against Serbia because of what happened in Kosovo, French and Russian policies again seemed to coincide.

France dislikes economic sanctions as a policy tool because, Mr. Chirac says, they make the country that imposes them feel good about itself without persuading tough guys like Mr. Saddam or Mr. Milosevic to change their ways.

Russia may have opposed sanctions not only because it would like to be seen as the Serbs' best friend in the Balkans but because it was the target of American-imposed sanctions itself in its Soviet past.

In the end, both France and Russia need the United States engaged in the Balkans to keep the lid on there, which is why both of them are eager participants in the NATO peacekeeping force that went into Bosnia in 1995. But if either France or Russia thought Europe could manage in the Balkans without U.S. help, they would much prefer it.

Fortunately for French-U.S. friendship, that day still seems far off.

## BRIEFLY

## Declaration by Vatican On Holocaust Awaited

VATICAN CITY — The Vatican is set to make a landmark declaration on the Holocaust.

The statement to be issued Monday marks the Vatican's first official attempt to come to grips with the Holocaust era, when Pope Pius XII was accused of turning a blind eye to the Nazi attempt to exterminate the Jews.

But it was not clear if the document, 10 years in the making, would be the unequivocal admission of fault that Jews have been waiting to hear from the church.

## Fundamentalist's Wife To Lead Turkish Party

ANKARA — With former Prime Minister Necmettin Erbakan banned from politics for five years, his wife is to take on the leadership of a new fundamentalist party, the daily Sabah

reported Sunday. Nermin Erbakan is expected to be officially registered with the new Virtue party at a scheduled meeting next weekend, and subsequently appointed leader, the report said.

She would be the first woman to play a leadership role in an Islamist party in Turkey. Mr. Erbakan's Welfare party was dissolved by the constitutional court this year for activities running counter to Turkey's secular political system.

## German Police Hold 650 To Avert Political Clashes

LUEBECK, Germany — German police said Sunday that they had detained about 650 people over the weekend to prevent clashes between leftists and rightist radicals at various locations across the country.

In the northern city of Luebeck, the police said they detained around 400 people, mainly leftists, to prevent them storming a rally of radical rightist parties Saturday.

The police said they had used water cannon

and deployed about 1,000 officers. Various radical right parties, led by the National Democratic Party of Germany, held the rally as part of their campaign for municipal elections this month.

## Pope Beatifies Bulgarian Executed by Communists

VATICAN CITY — Pope John Paul II on Sunday beatified the first martyr of Stalinism, a Bulgarian bishop who was tortured and executed during the darkest hours of Communist persecution of the Roman Catholic Church in Eastern Europe.

The Pope presided at a two-and-a-half-hour ceremony attended by thousands of people in St. Peter's Basilica. Beatification, conferred on those who lived exemplary lives, is the penultimate step to sainthood.

Vincentius Bossilkov, bishop of the city of Nikopolis, was convicted at a Stalinist-era show trial in 1952 for refusing to accept a law aimed at removing the local Catholic Church from Vatican jurisdiction.

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# FASHION

## Fabrics: Feeling Is Believing

American Designers' Opulent Sportswear in Paris

By Suzy Menkes  
International Herald Tribune

PARIS — Three American designers have thrown down a cashmere gauntlet in the world's fashion capital. Their brand of opulent sportswear has challenged the more traditional European elegance in the fall season.

But Valentino fought back Sunday with an exquisite show, carefully crafted and superbly embellished, to restore faith in high fashion.

The houses of Celine, Cerruti and Loewe have all taken New York-based designers who go for comfort and ease: the sensuous sweater, the perfect pants, the

simple skirt and the shrug-on coat. Call it no-frills, no-thrills fashion.

Made in tactile fabrics, these are clothes where feeling is believing. That is why the Spanish actress Victoria Abril stretched out her fingers toward a leather dress the color of creme caramel at Loewe's show Sunday.

The Hispanic-American Narciso Rodriguez was a smart choice for the Madrid-based leather house that is part of the French LVMH Moët Hennessy Louis Vuitton luxury group. He showed simple, modern pieces, drawing on the house's leather heritage for a plain sweater with python skin; shearing coats sweeping the floor; and for brief coats in ribbed leather.

In his own line shown in Milan, Rodriguez took fashion risks. But for Loewe he just made the look simple, slim-line and modern.

If you want women's clothes predicated on the no-nonsense principles of menswear, but in the most upscale fabrics, you couldn't have a better exponent than Michael Kors, who had a hit for Celine — a French sportswear house in need of an identity.

Kors designed the look, the same one he shows in the United States for his own label, which is of plain clothes, sumptuous to touch.

He opened the show with a raccoon stole snuggled over a vicuna sweater and over-the-knee skirt. Then came a double-face camel coat with furry collar, or silver fox melding with slate gray sweater and flannel riding pants.

The evening look was also minimalist, but with caviar-sized pearls as millennial-style decoration. Apart from some ultralow hiplines and preppy shoes deliberately trodden at the back, the show hit perfect pitch.

The only problem with this American sportswear de luxe is that it creates a look-alike style. So at Cerruti, the mix was similar to Celine: a symphony of gray, mixing pearl, smoke and slate, but always with a subtle play on soft textures of fluffy sweater against satin skirt or gray flannel coat topping mat chiffon dress.

The designer Peter Speliopoulos is skillful at modernist embellishment, showing evening jackets with a glittering border and tracing jet leaves on long skirts.

Contrast all that oh-so-simple stuff with Valentino's bravura collection. Yet, it was still easy in its way.

"Luxurious and relaxed," said the designer to sum up his loosened silhouette and the mix of easy coats and jackets with no visible fastenings, but some closed with jewel-headed pins. A typical sporty piece was the hybrid jacket and sweater like a loose sailor top.

Valentino's skill was in embellishing the slender silhouette, veiling a flannel skirt in tulle, outlining a sweater's Aran stitches in silver or working kilim rug patterns in embroidery. The glacial Nordic colors, the fuzzy felt and mohair textures meshed with Valentino's Roman refinement to make a very fine show, with some of the most elegant evening wear seen this Paris season.

Emanuel Ungaro had also eased up, sending out models whose rumpled hair gave a casual edge to the designer's usually dressy clothes.



Valentino's collection, "luxurious and relaxed," featured a kilim-embroidered dress.

The show opened against a backdrop of Miro-inspired painting, with long-line black cardigans over ankle-length dresses. But the clothes were soon enriched with Ungaro's favorite pattern and rich colors, but in muted mode, so that knits were given glitter stripes or necks edged in Mongolian lamb. Jeweled vintage-style purses added delicate decoration.

Given that Ungaro has to keep his ready-to-wear coherent with his haute couture line, the more casual element was well done, and ruby red jackets and pants glowing with pattern and color were rich but not ritzy.

Balmain went the opposite route — and it didn't work. The haute couture line, although designed by the American Oscar de la Renta, has a European sophistication that chimes with the house's tradition of elegance. Andrew Gn, the new Singapore-born ready-to-wear designer, seemed determined to take a more sporty route in his first collection. But his cashmere and wool woven to look like denim, Lone Ranger shirts, and zippered furs did not seem luxurious.

He compounded the downscale look with rat-tail hair styles and screaming shades of red. Gn would have been wiser to go for the clean and simple modernism he shows for his own line — and then try to give that the imprint of Balmain.

## RUSSIA: Brush With a Nuclear Nightmare

Continued from Page 1

Russian soil. The radar-and-satellite system is vulnerable because there are gaps in the network, which will grow more serious this year as yet another Russian radar station in Latvia is closed.

The prospect of a mistake "has become particularly dangerous since the end of the Cold War," Vladimir Belousov, a retired general and leading Russian strategist, wrote recently.

The degradation of Russia's early-warning system comes as its strategic forces, made up of nuclear-armed submarines, long-range bombers and intercontinental ballistic missiles, are declining dramatically in both numbers and quality. This is posing painful questions for Russia's political and military elite. They want to preserve Russia's place as a global power but cannot support the colossal forces and intricate systems that made up the Soviet nuclear deterrent.

What makes the radar and satellite gaps worrisome is that Russia still adheres to the nuclear doctrine of the Soviet era. The overall deterrence concept is known as Mutual Assured Destruction, under which each side is held in check by the threat of annihilation by the other. One part of this cocked-pistols approach is "launch-on-warning," in which both sides threaten that if attacked they will unleash massive retaliation, even before the enemy warheads arrive.

On Dec. 21, 1994, the Norwegian Foreign Ministry sent out a routine letter to neighboring countries, including Russia, about the impending launching of the Black Brant XII between Jan. 15 and Feb. 10, depending on weather conditions.

But the letter got lost in the Russian bureaucracy and never made it to the radar crews, as had past notifications. Norway had launched 607 scientific rockets since 1962. But the Black Brant XII was bigger than any of those.

According to Peter Fry, a former CIA official who chronicles the episode in a coming book, "War Scare," the rocket "resembled a U.S. submarine-launched, multiple-stage ballistic missile." Theodore Postol, a professor at the Massachusetts Institute of Technology, said that the Norwegian rocket may well have looked to the radar operators like a multistage missile launched from a Trident submarine. The launching occurred in a region considered, during the Cold War, to be a likely corridor for an incoming ballistic missile attack.

Anatoli Sokolov, the commander of the Russian radar forces, recalled that "what happened was an unscheduled training exercise."

"An officer on duty reported detecting a ballistic missile which started from the Norwegian territory," he said. "What kind of missile is it? What is its target? We were not informed."

"The thing is," he added, "the start of a civilian missile and a nuclear missile, especially at the initial stage of the flight trajectory, look practically the same."

The Black Brant XII triggered a tense

chain reaction in Russia. According to Nikolai Devyagin, chief designer of the Russian nuclear suitcase, the radar operators were under crushing pressure. They remembered how Mathias Rust, a German youth, flew a small plane through Soviet air defenses in 1987 and landed it in Red Square, shaking the Soviet hierarchy to its foundations.

Mr. Devyagin has said the radar operators could be reprimanded for sending out a false, panicky signal. But they also feared it was a real threat. So they decided to issue an alert that it was an unidentified missile, with an unknown destination. The alert went to a general on duty. He, too, decided that it was better to send on the alert to the highest levels than to be blamed for a disaster. One factor, Western officials said, might have been fear that the missile would release a debilitating electromagnetic pulse explosion to disarm Russia's command-and-control system, as a prelude to a broader onslaught.

At that point, the Russian electronic command-and-control network, known as Kazbek, had come to life. The duty general received his information from the radar operator on a special notification terminal, Krokus. He then passed it to the Kavkaz, a complex network of cables, radio signals, satellites and relays that is at the heart of the Russian command-and-control system. From there, it caused an alert to go off on each of the three nuclear suitcases in the Russian system: one with Mr. Yeltsin, one with the defense minister, then Pavel Grachev, and a third with the chief of the general staff, then Mikhail Kolesnikov. The suitcases were nicknamed Cheget.

The command-and-control system "was now operating in combat mode," Mr. Devyagin said. Mr. Yeltsin immediately got on the telephone with the others holding the black suitcases, and they monitored the rocket's flight on their terminals.

Bruce Blair, a senior fellow at the Brookings Institution in Washington who has written extensively on the Soviet and Russian command-and-control systems, said a signal had been sent to the Russian strategic forces to increase their combat readiness, but the crisis then ended. Mr. Blair said the significance of the episode was the confusion that marked the period during which Mr. Yeltsin would have had to make a real "launch-on-warning" decision. Mr. Blair pointed out that the Soviet Union and Russia have been through coup, rebellion and collapse over the last decade, and a leader may well be called on to make crucial decisions at a time of enormous upheaval.

Mr. Postol, the MIT professor, said: "The Norwegian rocket launch is an important indicator of a serious underlying problem. It tells us something very important: People are on a high state of alert, when there is not a crisis. You can imagine what it would be like in a high state of tension."

Tomorrow: Russia's strategic forces are suffering a dramatic decline.



Michael Kors, for Celine, opened his show with this vicuna sweater and raccoon stole.

## INDIA: Hindu Nationalists to Govern

Continued from Page 1

been a long uphill struggle for the nationalists, one that even now leaves them a long way short of majority support in India.

In the election just concluded, the group Mr. Vajpayee will lead in Parliament, the Bharatiya Janata Party, took 26 percent of the vote nationwide, its highest-ever share.

Before taking office, the Hindu nationalists were expected to join their coalition partners in publishing a "national agenda."

Nationalists leaders have already said that the agenda will center on a plan to attack poverty, to reinvigorate India's sluggish economy, and to tackle other deep-rooted economic and social problems.

But just as important as what is included in the governing plan will be

what is left out. Mr. Vajpayee, long considered a moderate among the Hindu nationalists, has already said that "circumstances" will force the nationalists to abandon, at least for the duration of this Parliament, election promises that caused anxiety among Muslims.

Omitted from the "national agenda" will be three controversial election promises. These were a pledge to build a Hindu temple on the site of a 16th-century mosque in the northern city of Ayodhya that was razed by a Hindu mob in 1992; an undertaking to seek by "all legal, consensual and constitutional means" to impose a uniform code of civil law, stripping Muslims of separate laws that they have had for centuries in matters of marriage, divorce and property rights; and a vow to remove from the Indian Constitution provisions that give special status to Jammu and Kashmir, India's only Muslim-majority state.



L. K. Advani, president of the Bharatiya Janata Party, hearing that the party could form a government.

## BRCKO: Arbitration Panel Decides to Keep Bosnian Town in Limbo

Continued from Page 1

They said a fresh postponement of a decision on Brcko's final status would further deplete the town's anemic economy.

"Justice delayed is justice denied," Ejup Ganic, president of Bosnia's Muslim-Croatian Federation, said in an interview. "Dayton stopped the war but didn't stop injustice."

The spotlight trained on Brcko stems directly from its position on the map. It is situated on a narrow neck of land connecting the two halves of Serbian-controlled territory in Bosnia. Without control over Brcko, the Serbs point out, their statelet would be cut in two.

The town also lies astride the road that connects the other, Muslim-controlled half of Bosnia with Croatia proper and the rest of Central Europe to the north. Without Brcko, the Muslims say, their

access to the rest of Europe would be severely cramped.

Small wonder, then, that both Serbs and Muslims have threatened to go to war over Brcko. While the heavy presence of U.S. and other international troops makes the threats dubious, Brcko's fate remains a volatile issue.

Before the war in Bosnia, Brcko was a predominantly Muslim town. The Serbs captured Brcko in 1992 and held it when fighting ceased in 1995. Virtually all its Muslim residents fled or were killed.

At the Dayton peace talks in 1995, neither side could agree on the town's fate, so they left it under Serbian control with its ultimate future in the hands of the arbitration panel. Mr. Owen postponed the decision twice, in December 1996 and again in February last year, when he established international supervision for the town by a U.S. diplomat, Robert Farrand.

Mr. Farrand was to oversee Brcko's ethnic reintegration. But for most of 1997, hard-line Serbs blocked most of Mr. Farrand's efforts by setting up illegal roadblocks, intimidating Muslims who tried to return to their homes, attacking international officials and trying to rig local elections.

In his decision Sunday, Mr. Owen said the hard-liners' actions would have led him to turn Brcko over to the Muslim-Croatian Federation. But the hard-liners were defeated in elections last fall, and a new, moderate government took power in January pledging complete cooperation with Western officials in Brcko.

In Washington on Sunday, the State Department spokesman, James Rubin, said, "The parties now have an additional period to demonstrate their full compliance with the Dayton agreement before the final award is made."

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## EDITORIALS/OPINION

# Herald Tribune

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## Tense Indian Passage

Since most of the people in the world who live under democracy live in India, it matters how Indian democracy fares. Currently the answer is: stressfully. The country is in passage from 45 years (out of independent India's 50) of rule by a Congress Party led by a single family to something not yet formed. Facing their fourth government in two years, Indians have just dispersed the parliamentary vote among three blocs. The rising Hindu nationalist Bharatiya Janata Party may or may not be able to translate its plurality into a durable government. The ruling United Front and the surviving Congress have been making their own try. It's tense going.

The drama of these elections arose from Sonia Gandhi. The Italian-born widow of the assassinated Prime Minister Rajiv Gandhi abandoned seclusion for a vigorous and successful campaign to rescue the Congress Party from the consequences of its fatigue, ineptness and corruption. And now? Taking over the party's helm keeps her in public life. To become her party's

parliamentary leader would put her in line for the prime ministership. She touched dynasty-starved hearts in the parliamentary campaign. But this is a woman of practiced silences of whom an informed India hand, Patrick French, says that she "has never publicly answered a single question, even now that she is the most prominent figure in Indian politics."

The Bharatiya Janata Party's surge is something new for India. Certainly a democratic country does well to field more than one party capable of winning a national election. There can be no question about the validity of elections in India, or about continued American respect. Still, the BJP's policy record raises some questions about a BJP-led government. Would it sharpen Hindu-Muslim tensions? Make Indian foreign policy more nationalistic and openly nuclear? Stray off the path of market reform? Both the "Sonia factor," as Indians call it, and the BJP's rise are bound to make Americans follow India's choices carefully.

—THE WASHINGTON POST

## Slightly Less Cancer

It is a testament to the remarkable intractability of the cancer problem that a relatively small decline in new cancer cases is being hailed as a major turnaround. Yet any final victory over this most dreaded of human diseases must start somewhere, so it is indeed cheering that, after decades of inexorable rises, the incidence of cancer in the American population has started to dip, ever so slightly, and so has the death rate from cancer.

The latest official statistics show that the number of new cases per 100,000 Americans fell by 0.7 percent a year from 1990 to 1995, while the death rate fell by 0.5 percent a year. Although such fractional declines might seem too small for true rejoicing, they are at least headed in the right direction. The much publicized cancer epidemic seems to be ebbing.

But if one seeks beneath the overall figures for a clearer view, the picture gets murky. Cancer is a catchall term to describe some 100 different diseases characterized by rapid proliferation of cells. Trends in these individual diseases head every which way, sometimes for reasons that nobody quite understands.

Consider the four major cancers, accounting for more than half of all new cancer cases. Lung cancer offers the clearest triumph. Both incidence and mortality are down, and virtually all experts agree that a sharp decline in smoking in recent decades is responsible. The only worrisome fact is that lung cancer is on the rise among wom-

en, who continue to smoke at perilous levels, and that youth smoking is again on the rise, posing a threat to reverse the gains. Those pressing for a crack-down on the tobacco industry have ample reason to redouble their efforts.

Breast cancer also presents an encouraging picture. The incidence rate, after increasing for two decades, leveled off, and the death rate actually fell, possibly because of more widespread screening and use of multiple therapies.

But the other two leading cancers are more perplexing. Prostate cancer, a scourge of aging males, showed a drop in the statistics but may not be falling at all. The seeming gains may be a statistical mirage caused mostly by changes in the way the disease is screened for and diagnosed.

The biggest declines were found in colon and rectal cancers, but nobody has the foggiest idea why. The key screening tests, fecal blood testing and sigmoidoscopy, are not widely used, so early detection is probably not the reason. The best guess is that more polyps are being cut out earlier, somewhat better treatments may be helping, or dietary changes and exercise may play a role.

Meanwhile, the incidence of melanoma and non-Hodgkin's lymphoma are up, and some racial and ethnic groups are not sharing in the improved cancer rates. The tide of battle in the war on cancer may be turning slightly, but there are huge battles still to be fought.

—THE NEW YORK TIMES

## Hear the Jones Case

The legal argument over whether Paula Jones's lawsuit should see trial has turned into a mud-wrestling match. The president has a legalistic defense of questionable moral and political relevance to the allegations against him. Ms. Jones's brief is filled with salacious factual allegations that are politically and morally damaging yet of questionable legal relevance to the case.

The president's argument that the case should be thrown out, which his lawyers filed last month, was a fairly typical sexual harassment defense: I didn't do it, and she liked it anyway — and whatever happened wasn't illegal. Mr. Clinton "adamantly denies that he sexually harassed" Ms. Jones at the Excelsior Hotel on May 8, 1991, his brief states. But the lawyers throw in, for good measure, an affidavit alleging that Ms. Jones later boasted of her encounter with Mr. Clinton, calling him "gentle" and "nice." Even assuming for argument's sake that she did not enjoy their non-encounter and Mr. Clinton did behave objectionably, the Clinton camp argues that it was not legally sexual harassment because Ms. Jones suffered no job detriment as a result of the incident, which was also not severe enough to make a hostile work environment.

Ms. Jones's response, filed on Friday, tells a very different story from the president's: He assaulted me, and not just me, either. Ms. Jones's lawyers do not satisfy themselves with their own client's already sensational claim that then Governor Clinton sent a state trooper to bring her to his hotel room, exposed himself to her and

asked for oral sex. They also catalogue a host of other alleged Clinton sexual improprieties and argue that he has attempted to obstruct justice in the case by suppressing evidence of his alleged affairs with other women.

The relevance of these other women to the Jones case and whether this evidence ultimately should be admitted at trial is debatable. The Jones camp means to argue that Mr. Clinton has a pattern of giving jobs and job benefits to women who succumbed to his sexual advances, while Ms. Jones, who says she resisted, claims to have suffered professionally as a result. Mr. Clinton's lawyers will undoubtedly try to limit the scope of any trial to the alleged incident at the hotel. In any event, the prominence of these women in the Jones brief is far out of proportion to their relevance to the central arguments in the case. It appears to be an effort to maximize the cost of the suit to Mr. Clinton's reputation.

Mr. Clinton's motion highlights serious deficiencies in Ms. Jones's case — although it badly fails to address the ethical questions raised about the president by her suit. It does, in our view, leave room for her to convince a reasonable jury that Mr. Clinton broke the law by sexually harassing her and thereby discriminating against her. Enough of the material in the Jones brief raises questions about the president's credibility and the pattern of his past behavior that the judge can't be sure. Putting all of the distasteful atmospheric aside, this means that Paula Jones should have her day in court.

—THE WASHINGTON POST

## The Workers of Asia Need Social Security Systems

By Mitsuo Sato

MANILA — Millions of low-income and fledgling middle-class workers have fallen off the social ladder as a result of Asia's currency and financial crisis. Most are angry and bewildered, as they have a right to be.

For the most part, they have worked and saved hard. Now, jobless and with eroded savings, they see themselves as victims of the imprudent behavior of others. For them, the Asian miracle has proved a mirage.

Thousands of enterprises have shut down in the worst-hit countries — the Republic of Korea, Thailand and Indonesia. The number of unemployed has risen sharply and is expected to increase further.

To lose one's job in a developed country is tough enough; drops in living standards and self-esteem are among the common negative effects. In Asia, however, losing a job can be little short of catastrophic.

In Asian societies that have no well-developed social security systems, being unemployed often means a very short fall from subsistence living to

dire poverty. When the support of the extended family dries up, women and children are the first to suffer.

Children have to drop out of school, medical problems go untreated, malnutrition rises. The fabric of the family is worn by tension. Drug and alcohol abuse rates rise. The suicide rate soars.

In these times of austerity, Thailand is to be applauded for adopting an innovative \$500 million social sector program to cushion its most vulnerable groups against the worst effects of the crisis. This is the first major undertaking by an Asian government to develop a social safety net for the disadvantaged.

Indonesia, whose population is larger and more vulnerable than Thailand's, plans a similar program and is watching closely. In both countries, such programs are being designed and will be financed with assistance from the Asian Development Bank.

In Thailand, the support is primarily

for those who have lost their jobs. Counseling is given for those experiencing trauma, retraining for those who seek to acquire new skills. The program includes measures to improve the education and skills of the work force, a prerequisite to Thailand's return to international competitiveness.

The program will also protect education and health plans aimed at the poor. Funds will be provided to keep children in school and to meet their basic health and nutrition needs.

The program may be modest in proportion to the country's total needs, but it is a step in the right direction. To be sure, such a move is not wholly altruistic. Governments hope that such programs will be an antidote to social unrest.

Provision of social safety nets is an essential part of addressing the Asian contagion, but it is only one component of the treatment.

Intense debate in the international aid community in recent months is producing a growing consensus that the Asian malaise needs far more than the monetary and fiscal restraints of tra-

ditional structural adjustment programs. Promoting economic growth is still one of the most effective ways of fighting poverty. An expanding economy creates jobs and raises incomes. Asia still has the strong fundamentals of high savings and investment rates and relatively moderate inflation that first attracted investors.

What Asia needs to do is carry out the structural and institutional reforms in its financial sectors that will bring back investors. Most governments have recognized the flaws and are taking steps to reform their financial sectors, making them more transparent and accountable.

It is only a matter of time before Asia's stricken economies recover. When they do, they may well induce investors to return in larger numbers. Until then, more countries should follow Thailand's lead in taking action to protect their most vulnerable groups.

The writer, president of the Asian Development Bank, contributed this to the International Herald Tribune.

## Take It From Liu, Democracy's Sun Will Shine in China

By Thomas L. Friedman

JIN ZHOU, China — After several days of following village elections in northeast China with an international observer team, two lessons:

• Old habits die hard. In Jin Zhou village, near Dalian, villagers were voting in the town hall when one elderly man with a gray Mao cap dutifully picked up his pink ballot, walked right past the screens behind which he was supposed to mark his choices, and then started to deposit the unmarked ballot in the voting box.

Before he could drop it in, a young woman voting monitor grabbed his hand and apparently said, "You have to mark a choice on the ballot before you put it in the box." The old man obviously didn't realize that voting in village elections meant he got a choice.

• New habits are quickly learned. Elections are a funny thing. Give people a chance to vote and they will usually tell you what they think, even Chinese peasants.

In the village of Kai An we

discovered that the incumbent had won by a landslide because his opponent dropped out on the eve of the vote, probably under pressure of some sort. But a lot of villagers didn't like being forced to vote for the incumbent, Yang Yu Chang.

So 300 villagers cast write-in votes for the peasant-farmer Sun Lian Fang. Rather gutsy. Lord knows, these village elections do not signify that the Communist Party has decided to build democracy from the ground up here. These elections were initiated by the party to recruit better people to manage villages and make them more prosperous — but with the party retaining iron-fisted control at the top.

Nevertheless, these elections have clearly empowered some villagers, and have become another sign that China is in a transition from brutal authoritarianism to a little less brutal authoritarianism.

Before China can democratize, it has to liberalize — it has to go through a phase that the political scientist Robert Scalapino called "authoritarian pluralism." So argued the Hoover Institution democracy scholar Larry Diamond, one of the observers.

"Village elections are one indication that China is entering a phase in which individuals, groups, villages and enterprises are beginning to be able to independently express their interests and concerns, under the umbrella of party rule. That is the beginning of liberalization — when you have multiple points of power and interests and everything is not dictated from one hegemonic center."

Chinese have begun to sue police for wrongful arrests, even winning some cases. A pirate, unlicensed business press is emerging in Shanghai, because of demand by investors there for real market news. And semi-autonomous

consumer and environmental groups are mushrooming.

What is also intriguing is that now that the party is permitting village elections, there is a desire to do it right. The observer team signed an accord on Friday with China's Ministry of Civil Affairs, under which the Carter Center in Atlanta will help the ministry establish a national data collection system on village elections that will allow it, for the first time, to track all results.

"The Chinese opted for village elections in part as a means of promoting stability," said Robert Pastor, head of the Carter team, "but now that they have elections, they know they've got to get them right — with secret ballots and real choice. Otherwise they become a source of instability."

They have a way to go. We saw village elections that had real open nominations and competition, and we saw others where the local party seemed to have rigged the outcome. But if they ever do get them

right, who knows? In Heng Dao we asked the re-elected incumbent, a party member, whether he thought his villagers would like a chance to also elect their county chief. Yes, he said. How about the province chief? Him too, he said. How about the president? Yeah, him too.

A Beijing official, who was with the observers and was listening, muttered: "That was an interesting answer."

Bottom line: There is a sense of political movement. It should not be exaggerated or ignored. Take it from Liu Fu, the losing candidate for village chief of Gujiazhang. He said he was sorry to lose, but he had seen worse. During the Cultural Revolution he had been banished, and now, 20 years later, he was running for village chief.

Asked if he ever lost hope during the Cultural Revolution, he answered with a Chinese proverb that I believe applies to China generally today: "No hand can block out the sun."

The New York Times

## Making Deals With the Devil in Baghdad and Belgrade

By Stephen S. Rosenfeld

WASHINGTON — Slobodan Milosevic's killings in Kosovo remind us that the president of rump Yugoslavia and Iraq's Saddam Hussein, both rulers of states that otherwise would be of lesser American interest, continue to vex American policy.

The two men are "the true architects of the new world order," Edward Mortimer observes ironically in the Financial Times. They are rule-breakers at a time when the United States seeks to replace great-power confrontation with a common respect for international rules of good conduct.

Unfortunately, we Ameri-

cans are slow learners. Through the 1980s, for instance, we rendered real support to Iraq in its grinding war with Iran. Saddam Hussein was the preferred stable and secular partner in our priority then of containing the revolutionary ayatollahs. Only when Saddam swallowed Kuwait did we realize that he was something more predatory than we had bargained for. Our Gulf contingents became "dual," of Iraq as well as Iran.

But the dilemma of dealing with a hostile Saddam Hussein did not stop there. Gradually the control of his weapons of spe-

cial terror became our leading priority, one related to but separate from the safeguarding of his neighbors.

Soon we found that our threat of force was in itself not enough to achieve the desired arms control. The threat needed to be leveraged by an invitation to diplomacy. Supplying that initiative, Kofi Annan demonstrated that the combination of the two actually reinforced our claims for on-site inspections. It is these inspections that have resulted in the detection and dismantling of the part of the Iraqi arsenal so far revealed.

## Common Sense About Cloning

By Steve Jones

LONDON — A startling new treatment is found that allows people with heart failure to live almost normal lives. It is risky, but without it the patients will certainly die. Do you use it?

The answer, for most people, is "of course." But what if some people have decided that the treatment is against nature, that it interferes with God's work and might, worst of all, reduce the personal autonomy of those who benefit? Should the patients be allowed to expire in the interest of moral and intellectual integrity?

Put in such terms, the idea seems ridiculous. Yet this kind of thinking forms a large part of the argument against cloning. Opponents of the new genetics are using emotion and moral panic to preempt what science might find.

Thirty years ago, the onset of bodily decay meant, for many, immediate death. Heart failure was nearly always fatal. Transplants have helped change that. In the early days, the idea of taking organs from people who were scarcely dead and putting them inside others who were only just alive seemed alarming.

The procedure was carried out with little understanding of tissue matching and even less of rejection, and many recipients expired within weeks. Few doctors dared to try such a risky operation. But Christiaan Barnard of South Africa and Norman Shumway of Stanford took the chance.

As outrageous as their work seemed at the time, it led to a new era in medicine.

These transplant pioneers would not, in the brave new

world of medical ethics, get away with it today. They might not even get away with taking part of a minute and insensible cell and inserting it into another one. That is because of the dread word "cloning." This term is heavy with metaphorical threat to everyone except biologists.

They use it all the time. After all, each cell in the body is a clone of the fertilized egg that made us. Identical twins, of course, are clones from the same egg.

Much of the debate about the ethics of cloning centers on an irrelevance — the possibility of cloning an adult human. And that remote prospect is being used as an excuse for a much wider ban.

Many find the idea of human cloning shocking. I do not. The objections turn on genetic essentialism, the idea that a clone would be stigmatized, treated as a second-class citizen, with fewer freedoms than an organism produced by sex — in other words, that rights reside in genes rather than people.

In the 1930s, the Nazis took this "DNA über alles" argument to its logical extreme. A Nazi who received a transfusion of Jewish blood was thrown out of the party.

In the old South Africa, blood could not be moved across the racial divide, because biological purity was considered compromised.

That attitude is disgraceful, but it is essentialism — humans as products of DNA — in its purest form.

The main danger in the es-

sentimental panic is restriction of the chance of copying tissues or organs.

Say a woman is dying of leukemia. Her only hope is a transplant. What is wrong with her using her own eggs, and her own genes, to clone a new tissue to save her life?

This is not possible yet, but it will be soon. In the future, perhaps a heart or a kidney could be made in the same way, or her eggs could be re-vivified with some foreign genetic material.

The U.S. Senate recently rejected an anti-cloning bill as too broad, but it will probably revisit the subject over the next year. The National Right to Life Committee and other opponents of abortion are against not only human cloning but also embryo research.

During the Cold War, General Omar Bradley said, "Ours is a world of nuclear giants and ethical infants." In the new war against genetics, there is danger of entering a universe of self-appointed ethical giants who see their task as controlling science.

In the early days of heart transplants, the specter of Frankenstein was often invoked by those who saw the surgeons' work as an insult against nature, which of course it was. That argument was forgotten but is being reborn.

It is time for common sense about cloning. Otherwise, next time you need a transplant, what will you do — call an ethicist?

The writer, a professor of genetics at University College London and author of "In the Blood," contributed this comment to The New York Times.

A blow at Iraq, it is now widely accepted, would at least have showed resolve and delivered punishment. But it also would have brought on the uncertain political consequences of intense Arab rage.

At this point, consideration of a blow may not be renewed unless Saddam for some reason terminates the cooperation with UN inspectors that spared him the last time around.

With diplomacy, of course, comes cost as well as benefit. The United Nations rang, and Saddam Hussein picked up: Inspections are proceeding. That is fine. With the encouragement of Mr. Annan and some Security Council members, however, Saddam is now wielding the transaction to break out of his American-led isolation.

Such engagement cuts across both the containing of Saddam and the developing of programs to remove him from power. Still, the higher requirement is surely to maintain the focus on disarming and deterring him.

Slobodan Milosevic is different. Just when everyone thought that Bosnia was finally on its halting way to better days, the discredited but still wily Serbian leader launched a test of American resolve on the tick-tock bomb issue of Kosovo.

His repressive rule in that Serbian province has created an armed resistance among its 90 percent ethnic Albanian majority. The ambush of four Serbian policemen occasioned a disproportionate Serbian response that took scores of civilian lives. The clash of Serbian and Al-

banian nationalisms is now the hottest question in the Balkans. Shivering in pariah cold, Mr. Milosevic had to pick up to win some warming by helping to seat a democratic leader in the Serbian enclave of Bosnia. It was an obscenity that the single person most responsible for the war that the Dayton peace conference was called to stanch now stepped forward as a rescuer of Dayton. Still, his was an offer that authentic peace seekers could not refuse.

Thus did Mr. Milosevic earn an American chair. But, American officials warn, he did not earn a free hand in Kosovo. Nor, these officials insist, should Kosovars mistake American criticism of Mr. Milosevic's violence for American support of an independent Kosovo. What the United States does support is international peacekeeping, human rights (no terrorism), and a Serbian-Albanian political dialogue.

Always in these messy affairs, the question is whether to do business with the devil, here with genuine war criminals — with the aggressor, ruler flouter, poison chemicals user Saddam Hussein in order to restore the arms inspections, and with the chief perpetrator of the Yugoslav catastrophe, Slobodan Milosevic, in order to pick up a few of the Balkan pieces.

The right way is to go ahead warily as long as there is a fair chance of consummating the transaction and of keeping new costs and obligations within the limits of the business at hand.

The Washington Post

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1898: No Federalism

LONDON — The Times, regarding the proposal in the House of Commons for Home Rule all around, says: "A more extraordinary state of confusion than would result from the dissolution of the United Kingdom by throwing it into the melting pot of federalism cannot be imagined. To undo the consolidating work of centuries and to set up a federal system where separate States do not already exist would be to put back the clock with a curiously perverse deliberation."

### 1923: Smuggled Aliens

NEW YORK — Charges that certain Eastern railroads foster the bootlegging of aliens from countries whose immigrant quotas are exhausted are made by the Department of Labor. It is charged that these European and Asian Jaxons, seeking Amer-

ica's golden fleece, are hired for jobs vacated by Americans who went on strike last summer. Some enter in the guise of surplus members of ships' crews; others are cast into the melting-pot by way of the unpolished west coast of Florida.

### 1948: Aid for Europe

WASHINGTON — House Foreign Affairs Committee members started work today [March 15] on the \$5,300,000,000 European Recovery program bill after the Senate approved the measure. Secretary of State George C. Marshall had warned Senators: "The danger remains that the Communist-dominated countries of Europe will increase their pressure on Greece just as they have in other directions in Europe. Should we fail to continue our efforts, the consequences would be swift and tragic and they would not be confined to Greece."



...divert resources to other

## he Struggle

By Nicholas Wade

I LOUIS — In a drab building in the industrial outskirts of St. Louis, a team of 200 people is working in pursuit of the ultimate knowledge. They are spearheading a sequence the human genome.

Labels of success at this point are something. At the end of the project will be half a planned 15-year course. The genome has been mapped. Of the name American, the pursuit, just one sequencing center here, a deciphering human DNA, its only peer, is in Houston, England, as the two nations have produced the 100 million letters of human DNA.

The goal of sequencing the human genome is ambitious. It is a double ribbon of DNA holds a vast amount of information. It is a map of human migrations and a catalog of variations that help explain about the physical and human life.

For the first time, we humans are

LANGUAGE

Can Canoe

By William Safire

NEW YORK — The chairman of the Senate Judiciary Committee, Mr. Strom Thurmond, told The New York Times that the former White House aide, Mr. William French, was perhaps the first president to be a senator in history.

The 10th senator is a devotee of the 1996 use of his name "temper tantrum," which is a speculation in this space.

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And then there are: trials and special relationships.

As into desuetude. Their earliest was from an 1859 book by the English journalist George Augustus Sala, who coined the phrase "a shy kiss, and a squeeze" to describe the sweet-heating of a woman's name of canoeing.

The word is in furious disuse. It is influenced by the word "canoe," which was the name of a small boat used by the Indians of the Mississippi River.

The word "canoe" is defined in the 1980 German Dictionary as "a small boat used by the Indians of the Mississippi River."

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**JIL SANDER**



## INTERNATIONAL

## Run for Congress? Not Worth It, Some Rising Stars Decide

By Richard L. Berke  
New York Times Service

MOUNT VERNON, Illinois — Daria Wexsten was soaking in the bathtub one Saturday morning in December when her husband, Jim, raced up the stairs and summoned her to the phone. The White House was on the line.

Wrapped in a towel and dripping wet, Ms. Wexsten listened intently as President Bill Clinton gently tried to persuade her to seek the House seat from the 20th Congressional District in south-central Illinois.

Mr. Clinton should not have needed a hard sell with Ms. Wexsten, 44, a social worker who was born and reared in this rural town. The statistics speak for themselves: A Democrat, Richard Durbin,

held the seat from 1982 until he gave it up to run, successfully, for the Senate in 1996. The Republican who succeeded him, Representative John Shimkus, is a freshman who was elected by a margin of only 1,238 votes in one of the closest House races in the country. And Mr. Shimkus, a former high school teacher, is still struggling to make a name for himself.

"I told him the truth: that it's an honor to be asked but I had not made a decision," Ms. Wexsten recalled. "It's hard to say no to your commander in chief. I told him I'd give it another evening of prayerful consideration. He talked about how this is a winnable seat."

"He said: 'This is a hard life. There are days I wouldn't want to wish it on

anybody. But we have important work to do.'"

After more agonizing, more lists of pros and cons and more prayer, Ms. Wexsten decided that her most important work was not in the Congress but with her 13-year-old daughter, Erin Beth.

"I could tell that she really did want me to stay home," she said as her husband kissed Erin Beth on the head. "And that's fine."

Three days after Mr. Clinton's call — and weeks after Democratic leaders had first approached Ms. Wexsten about running — the deadline for a Democrat to file in the race against Mr. Shimkus came and went. One of the most vulnerable incumbents in the country had escaped without an opponent.

Ms. Wexsten is not alone. Dozens of rising stars, Democrats and Republicans alike, decided not to run for Congress this year in what political strategists describe as a growing trend. Even after wheedling from the president (or, in the case of Republicans, from the House speaker, Newt Gingrich) and promises of money from Washington, fewer prospects are swayed by the allure of power and influence of the U.S. Congress, officials in both parties concede.

In interviews, people who chose not to run in 1998 — many for what appeared to be winnable seats — offered many reasons. But the explanations were similar: Would-be members of Congress complained that the rigors of fund-raising and of being away from home exacted too much of a personal toll.

And even if they could be assured of being elected to the \$136,700-a-year position (it would have been a raise of more than \$80,000 for Ms. Wexsten), many people said that serving in the House was no longer an enticing calling. Several said they could make more of a difference serving in their state legislatures than in the U.S. Congress.

"One of the reasons you run is to get something accomplished," said Mark O'Keefe, the state auditor in Montana, one of several Democrats who resisted pressure from the national party to run for the House. "But to get anything accomplished as a member of the minority is very difficult. Do I want to get lost in a crowd of 435 folks? Not much."

Tim Weeden, a Republican state senator from Beloit, Wisconsin, said he had no qualms about raising the \$100,000 he needed for his re-election campaign to state office this year. But he said a major reason he backed down from what looked like a reasonable shot at winning an open House seat was that he would have had to collect 10 times that amount.

"I would have had to engage in some things that I don't find very tasteful," said Mr. Weeden, 46. "Like cold calling. Like asking current contributors to give me 10 times more than they have in the past. Not only do you raise that kind of money now, but as soon as the election is over you turn around and do it all over again. I can't even see doing it once. But to do it over and over again is something I just wouldn't be able to do."

Recruiting the most appealing, and formidable, candidates is more than an exercise in vanity for the political parties. Democrats need to pick up only 11 seats to win back control of the House. The success or failure of party recruiters can have an important bearing on which candidates can best raise money, draw political support — and ultimately win.

The failure of people to run has consequences far beyond the November election. Besides robbing the political process of competition, there is a cost to the civic culture because the absence of the highest quality candidates feeds into the public's increasing alienation from Washington and from the process of governing.

One who is not complaining was Mr. Shimkus, who said he now felt little pressure to put his re-election campaign into full gear. "For a new member who won in a close election, it's as good as I could have expected," he said. "I'm trying to analyze, myself, why this has occurred."

Several potential contenders focused on a harsh yet unavoidable (unless you are independently wealthy) reality of running for Congress in 1998: the need to amass huge stockpiles of cash and, if successful, to turn around and hit up donors again for the race two years later.

Jay Hoffman, a Democratic state representative in Illinois who barely lost to Mr. Shimkus two years ago, said the constant chase for money was a critical factor in his decision to pass up another run.

"Last time, I raised \$800,000 and it wasn't enough," he said. "This time, I'd need probably a million or so. I found the constant need to raise resources to be competitive a bit repulsive."

Former Representative Bill Martini, Republican of New Jersey, who was elected in 1994 and lost his seat two years later, said the overwhelming financial demands in the New York media market were too much to bear.

"The emphasis is too much on fund-raising, and that's not what led me to run in the first place," said Mr. Martini, who last month passed up a rematch against Representative Bill Pascrell Jr., a freshman Democrat.

Representative Martin Frost of Texas, chairman of the Democratic Congressional Campaign Committee, said that he was hearing such complaints with increasing intensity.

"The whole thing has gone crazy," he said. "The cost of television advertising has so far outpaced the general inflation rate that it's very expensive to run, and that's a factor for people."

Beyond the financial costs, many prospective candidates said, simply, that serving in Congress was no longer a dream job. "A family ought to have a father — and I'm it," said Mr. O'Keefe of Helena, Montana.

"To commute every week to Wash-

CLINTON:  
A Week to Blush Over

Continued from Page 1

already absorbed the reports of Mr. Clinton's alleged philandering, and many have decided to ignore more details about Mr. Clinton's personal life.

Nonetheless, the document dump was a dramatic event. The many pages of depositions — and Mrs. Willey's scheduled appearance on the CBS News program "60 Minutes" on Sunday night — begin to shed more light on the names behind the stories that have haunted Mr. Clinton throughout his presidency.

When the president gave his deposition in the Jones case on Jan. 17, he was asked questions about Mrs. Willey, who was in financial and personal distress and had asked him for a permanent job.

At one point, he said: "I did not know what I have done to scores and scores of men and women who have worked for me or been my friends over the years. I embraced her. I put my arms around her. I may have even kissed her on the forehead."

Mr. Clinton is indeed demonstrative. Anyone who has seen him reach out to ordinary Americans can envision the scene he described.

But what Mrs. Willey alleged happened that November day in the White House was not an encounter between a caring president and a distraught constituent. Mr. Clinton, she testified in the Jones case, embraced her for longer than she expected, tried to kiss her on the lips, put her hands on his genitals, touched her breasts and told her "that he had wanted to do that for a long time."

When confronted with her testimony during his deposition, Mr. Clinton said, "I emphatically deny it."

Answering a follow-up question, Mr. Clinton added, "There was nothing sexual about it."

As Mrs. Willey becomes a part of Mr. Starr's investigation, too, her evolution from reluctant witness in the Jones case to apparent cooperating witness in the Starr inquiry may mark a new chapter in the Lewinsky investigation.

For the prosecutor, she is a potentially damaging witness against the president. First, her account of a sexually charged scene in the White House is graphic. Second, she makes clear that Mr. Clinton's supposed advance was unwelcome. Third, she is neither Ms. Lewinsky, a young woman who appeared to be infatuated with the president, nor Mrs. Jones, who has become an ally of Mr. Clinton's conservative opponents.

Finally, Mrs. Willey's cooperation offers Mr. Starr another avenue to look into obstruction of justice allegations. Mrs. Willey has said that she discussed her deposition in the Jones case with a Democratic fund-raiser.

## ■ 'Recklessness' in Advance

CBS News says Mrs. Willey said in her interview with "60 Minutes" that she was amazed at the "recklessness" of Mr. Clinton's advance at the White House, Reuters reported.

"I could just not believe what had happened in that office," CBS quoted her as saying. "I could not believe the recklessness of that act."

Robert Bennett, one of Mr. Clinton's private lawyers, said the president strongly denied Mrs. Willey's account and said that there is evidence what she said was untrue.

"The president is absolutely bewildered" by her story, Mr. Bennett said on the ABC News program "This Week."



Ed Bradley, left, interviewing Mrs. Willey on the CBS program "60 Minutes," which was broadcast Sunday.

## LEFT: Europe's 'New' Socialists Remain Divided by Ideology

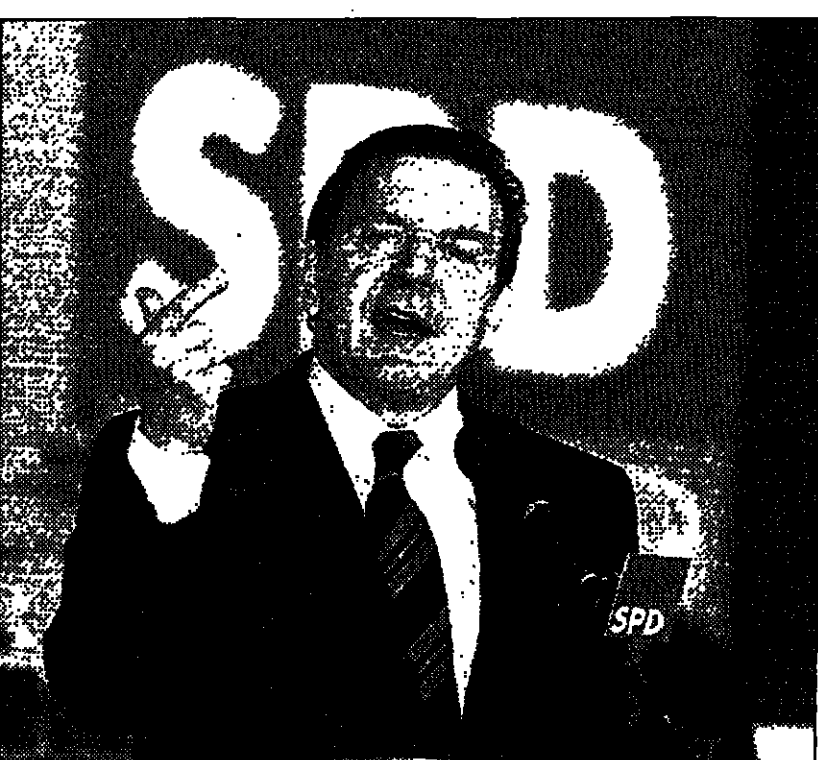
Continued from Page 1

"with hostility," Mr. Jospin said, a plan outlined by Sir Leon Brittan, and approved by the European Commission, for negotiations to begin with the United States on creating a trans-Atlantic free-trade zone. The French made it clear they would veto the initiative if it got any further, and said they did not want it on the agenda of the European Union's summit meeting here in May with the United States.

For all the modernity that Mr. Blair's advisers like to read into the Socialist-led government in France, it reacted to the British proposal with the decades-old protectionist and America-way instincts that include regarding Britain as a stalking horse for the United States. On the level of basic national orientations, this aversion, reinforced by close U.S.-British cooperation during the Iraq crisis, can subordinate any other movement toward change in France.

Mr. Blair and Mr. Schroeder, who briefly met at a pre-summit meeting of European Socialist leaders that Mr. Jospin gave a miss, could not have ignored another and very similar French adversarial reflex. Through Pierre Moscovici, the Socialist government's minister for European affairs, the French signaled to Mr. Blair their discomfort with his call for the creation of a worldwide movement of center-left parties, including the Democrats in the United States. The idea, as outlined previously by Mr. Blair, is "to manage social change in the global economy," which, he said, was resisted by the old left.

While Mr. Blair has talked about a seminar between Democrats and New Labour, led by President Bill Clinton and himself in May, to be followed by a conference in London late this year or next bringing together "all of the parties that are on the same wavelength," Mr.



Gerhard Schroeder, the German Social Democratic leader, speaking Sunday in Magdeburg, at a party conference on labor questions.

Jospin announced pointedly on Wednesday that he would be attending the meeting of the very old left Socialist International in Oslo in May.

Mr. Schroeder, who talks labor market flexibility but has yet to announce his specific definition of it, or confront the contradictions of his Social Democratic Party on how it wants Germany to achieve modernity, still hasn't taken sides.

The distance between the men and their ideologies emerges clearly at this point. For New Labour, socialism is not a favorite word, and market flexibility means a minimum of state intervention and a welfare-to-work concept that modules but essentially carries out the attack on blanket welfare protections started by Margaret Thatcher.

Dennis McShane, a Labour member of Parliament active in international matters, could not have been speaking for all his European colleagues of the left when he said, "It's vital that the century-old suspicions between the U.S. Democrats and the Socialist parties of Europe be broken down."

This ideological division, which goes to the heart of Europe's future, was underscored in a remark, coinciding with the summit meeting in London, from Louis Schweitzer, president of Renault. A man who went to the nationalized automaker from a post as chief of staff to a former Socialist prime minister, Laurent Fabius, Mr. Schweitzer talked about the 35-hour workweek that the French government has made a symbol of the state activism it cherishes, and said, "I don't believe it is an asset for the competitiveness of French industry and for the growth that would lead to cutting unemployment."

Some of Mr. Jospin's Socialist associates insist that the 35-hour week will provide the smoke and mirrors they consider necessary to remove job market and workplace restrictions, but a spokesperson for the French Employers' Association, questioned last week, said it saw nothing resembling this emerging so far.

For all the kinship Mr. Schroeder has said he feels with Mr. Blair's approach

he offers little on the record about the achievements of the Jospin government — the details of his own program remain in very short supply.

While Mr. Schroeder is a candidate with both a working-class upbringing and ease with business leadership, the Social Democratic Party and its old left chairman, Oskar Lafontaine, continues to speak in two largely irreconcilable directions. Last week, Harald Schartau, a leading union figure and party ally, said that shorter hours must not be a goal in themselves because they led generally to production and cost pressures, and that cutting time on the job in the metals trades would mean an effective 10.5 percent pay increase.

At the same time, a position paper from the party's left wing called for "a change of direction favoring public responsibility and a structure-giving state" as opposed to the party presenting "a more social, milder variation of deregulation concepts."

Unlike Mr. Jospin, a government led by Mr. Schroeder would not depend on Communists as coalition partners, but very probably on Germany's Greens, whose French counterparts have just held joint regional election rallies with a Trotskyist grouping called Revolutionary Communist League.

Without international policy experience of his own, Mr. Schroeder has been rather more precise on who might be his foreign minister than the specific economic policies of an eventual coalition, saying he thinks highly of the competence of the Greens' Joschka Fischer.

In spite of the eagerness of some of their friends to portray them as ready to march forward, arms linked, toward the millennium, the divergent circumstances and inclinations of Mr. Blair, Mr. Jospin and Mr. Schroeder led to this line, repeated in London, and picked up in modified form by the Frankfurter Allgemeine Zeitung.

Who among the Tony Blair wannabes most resembles the real thing? Answer: William Hague, leader of the British Conservative Party.

Calling for 'Courageous' Policy Change,  
Iraq Urges U.S. to Build New Relations

The Associated Press

BAGHDAD — In a change from its usual anti-American rhetoric, Iraq on Sunday urged the United States to "courageously" change its policies and normalize relations with Baghdad.

An editorial in the state-run Baghdad Observer said that such a move by President Bill Clinton and his main ally, Prime Minister Tony Blair of Britain, would be in their political and economic interests.

The Iraqi statements came amid what appeared to be a change in Iraq's dealings with UN weapons inspectors following the Feb. 23 agreement negotiated by the UN secretary-general, Kofi Annan. Under the terms of the deal, Iraq agreed to open eight of Mr. Saddam's palace compounds to UN inspectors and to improve cooperation with UN weapons teams.

Last week, for the first time, Iraq allowed a UN team into the Defense Ministry. And next weekend, the chief UN arms inspector, Richard Butler, is due in Baghdad to begin the palace inspections.

On Sunday, UN inspection teams paid unannounced visits to eight sites, the official Iraqi News Agency reported. In addition, a UN team specialized in biological and chemical weapons as well as missiles visited a state-run university. The inspections "were conducted with full cooperation from the Iraqi side," the agency said.

The editorial urged the United States to "courageously reshuffle" its policy "for a more realistic one that serves America's legitimate interests as well as the cause of peace, security and stability in this region."

## BRIEFLY

Israeli Diplomat  
To Head Mossad

JERUSALEM — The Israeli government approved Sunday the appointment of Ephraim Halevy, a veteran intelligence official and diplomat, to head the troubled Mossad spy agency.

Mr. Halevy, 64, who resigned from the Mossad in 1995 after 30 years duty in the agency, has been serving as the Israeli ambassador to the European Union.

Prime Minister Benjamin Netanyahu announced earlier this month that Mr. Halevy would replace Danny Yatom, who resigned in the wake of a series of botched spy missions abroad.

Mr. Netanyahu also named General Amiram Levine to serve as Mr. Halevy's deputy and designated successor to head the foreign intelligence service. (APF)

Kuwait Cabinet  
Quits in Protest

KUWAIT — The 15 members of Sheikh Saad al Abdullah al Salim al Sabah's cabinet resigned Sunday, two days ahead of a no-confidence vote against one of them, the information minister, Sheikh Saud Nasir al Sabah.

The move apparently was aimed at preempting the Tuesday vote requested by 10 Muslim fundamentalist lawmakers. The next step will be for the prime minister to take the resignation to the emir, Sheikh Jaber al Ahmad al Sabah.

Sheikh Saud, the Kuwaiti ambassador to the United States during the 1991 Gulf War, was assailed in the National Assembly on March 10 for allowing books deemed blasphemous to be sold at an Arab book fair in 1997. (AP)

Afghan Militias  
Battle for Control

KABUL — Afghan opposition groups fought Sunday for control in their northern stronghold of Mazar-i-Sharif. One faction, the Shiite Hezb-i-Wahdat, reported that the shooting stopped Sunday night.

A spokesman said the International Committee of the Red Cross was trying to contact representatives of General Abdul Rashid Dostum, the Uzbek warlord, to seek safe passage for aid workers, believed to number 20.

General Dostum's forces clashed with the Hezb-i-Wahdat faction on Saturday night. (Reuters)

## For the Record

Limited autonomy for Indians and measures to protect their cultures and languages would be constitutionally guaranteed under a plan signed Saturday by President Ernesto Zedillo of Mexico. (AP)

ington, D.C., would have destroyed everyone's life."

Even Mr. Weeden, the Republican from Wisconsin, said the chance of being part of a House majority did not entice him. "Look what I have now in terms of seniority and position — a four-year term and an ability to get things done here in the Wisconsin Senate," said Mr. Weeden, who was first elected to the state Assembly in 1984. "Compare that with going to Washington, where I'd be a nobody for probably two or three terms, at least. It was really no comparison."

There was little appeal, he said, "being part of an institution that doesn't seem to be achieving a great deal right now. They do a lot more talking, a lot more partisan wrangling, than working toward solutions."

But, like many others who suppressed their ambition this year, Mr. Weeden is not entirely comfortable with his decision. "My biggest fear," he said, "is that I'll be sitting in a wheelchair at 85 years old and look back on a missed opportunity."

## FRANCE: Election Gains for Socialists

Continued from Page 1

the conservative stronghold unless he allies with Mr. Le Pen, something he has vowed never to do.

The regional councils, which control significant spending but have a blurred political identity, are led by presidents, who will be chosen next week. That occasion will test Mr. Le Pen's king-making ability and determine which political coalition runs each council.

Going into the election, the conservative alliance ran 20 of the 22 regions, but the voting Sunday seemed bound to give the leftist alliance control of at least 12 regions.

The voting Sunday offered an imperfect barometer of national politics because it is the only French ballot along with European parliamentary elections that operates by proportional representation.

In addition, the election was marred by record rates of abstention, with the turnout barely exceeding 57 percent, a new low apparently reflecting voter indifference to issues and candidates.

Mr. Jospin emerged from the voting Sunday with an enlarged room for maneuver since his government faces no important elections for nearly five years.

Analysis noted that his Socialist Party had to depend heavily in key regions on the Greens or on the Communists, but the smaller parties may still shy from

challenging a politically secure government, the analysts added.

For the losing conservatives, the prospects seemed much bleaker, with the two parties failing to find any larger momentum in the high polls ratings of Mr. Chirac. Analysts, such as Jean-Marie Lech of IPSOS, a polling organization, said that Mr. Chirac has acquired a personal position in French opinion as the guarantor of national stability with his emphasis on avoiding conflict abroad or rapid domestic change.

As a result, conservative leaders in several regions may be tempted to defy the mainstream parties' leadership and try to cut open or implicit deals with Mr. Le Pen's National Front to gain working majorities in some regions. Even though Mr. Le Pen's party, which appeared close to capturing the Provence region, did not actually increase its popular vote significantly, its influence could grow, analysts said, as the mainstream right parties flounder.

Philippe Seguin, the Neo-Gaullist leader, described the results as an "aftershock" that was to be expected after the earthquake "of the parliamentary defeat last year."

But Mr. Balladur, often described as a rival in the party, said that the "market-oriented right had suffered a defeat that ought to prompt a reorganization" of the conservative movement in France.

EU Centra  
The Challenging Q

By Alan Friedman

WME — The greatest challenge facing the European Central Bank is to set a "one-size-fits-all" interest rate for the 12 member states. The bank's single currency, the euro, is set to be introduced in 1999. Some of the biggest banks worry about single currency at home, and some of the biggest banks worry about single currency abroad. The bank's single currency, the euro, is set to be introduced in 1999. Some of the biggest banks worry about single currency at home, and some of the biggest banks worry about single currency abroad.

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MONDAY, MARCH 16, 1998

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## EU Central Bank Faces Rocky Start

### The Challenging Quest for 'One-Size-Fits-All' Interest Rates

By Alan Friedman  
International Herald Tribune

ROME — The greatest challenge for the future European Central Bank will be to set a "one-size-fits-all" interest rate for much of Continental Europe. But even some of the biggest boosters of the planned single currency at finance ministries and central banks worry that it might get off to a rocky start.

Putting together a central bank that represents as many as 11 countries and is able to overcome barriers of language, culture and economic tradition will not be easy. But then making sure that policies do not intrude on sensitive financial decisions will be even tougher.

During the first days of May, when European Union leaders decide which countries will launch the euro on Jan. 1, 1999, they will also have to name the president of the new central bank and agree on exchange rates among the various currencies destined to be merged into the single currency.

The potentially volatile and politically controversial environment in which the new European Central Bank will have to operate was evident over the weekend as Greece announced plans to devalue the drachma by 14 percent and pursue a tough austerity program as part of a bid to join the European Union's exchange-rate mechanism and ultimately, the single currency.

Ireland, meanwhile, angered its exporters by revaluing its own currency to prepare for its participation in the euro. The central bank, which is to be fully operational by the end of this year, will be of crucial importance as the guardian of the euro, setting interest rates that will affect Europeans in a broad range of ways, from steering overall economic growth to influencing mortgage rates paid by homeowners.

Its most formidable challenge will be trying to decide rates for a large number of countries with different business cycles, different electoral calendars and different levels of growth and unemployment.

Negotiations over the choice of the president of the new central bank have already deteriorated into political horse trading between Bonn and Paris, triggering resentment among other nations that fear that the two leading European economies will exclude them from other key decisions.

"The big difficulty," said one senior

European central bank official, speaking on condition of anonymity, "is that you may have some countries in a strong recovery phase and therefore needing higher interest rates to keep inflation at bay, while others, especially those with depressed regions and high unemployment, will need lower rates in order to stimulate growth."

"The risk," the official said, "is that you set a rate that is right for Europe, but not right for each region."

David Marsh, director of European research at Robert Fleming, a London bank, said: "In a vast area with disparities in economic growth, it will be hard for the European central bank to come up with a one-size-fits-all interest rate."

The view of government officials who are preparing for the euro is more optimistic, although none wanted to be quoted by name in this article.

"What we will do is look at European-wide developments and set interest rates to cover a broad area," one official said. "If the Fed can do it in the United States, why shouldn't we be able to do the same?"

But Carl Weinberg, an economist at High Frequency Economics in New York, said: "Monetary policy after the launch of the euro is going to be imprecise, inefficient, and misguided. They are going to learn by doing and with other peoples' money."

The fierce political jockeying surrounding the choice of the central bank

chief is another problem. The battle pits Germany and France, with Bonn backing the Dutch central banker Wim Duisenberg, and Paris still fighting an uphill battle on behalf of its own central bank governor, Jean-Claude Trichet.

Economists say a similar fight could emerge over the selection of the other five members of the executive board. The Maastricht treaty does not offer guidance on how to fill the banks' key slots, except to say the terms may be either four or eight years. But already, there is much behind-the-scenes maneuvering by France, Germany and Italy — the Continent's three biggest economies — to guarantee that they have key places at the top table.

Might some of the central bank's board members hew to a more nationalist than European line on interest rates when they report to the new headquarters in Frankfurt?

"There is always the risk of a politicization," said Julian Jessop, an economist at Nikko Europe in London, but "this should not be too great a risk because most European central bankers are remarkably tough inflation fighters and they should be able to work well together."

But critics note that European commissioners who arrive in Brussels do not always shed their national perspective and politics as they are supposed to. Many senior European officials and economists say that even if the choice

See EMU, Page 13

## Greece Unveils Austerity Plan in Bid to Join EMU

Compiled by Our Staff From Dispatches

ATHENS — The Greek government announced Sunday that it was embarking on a three-point economic austerity plan, one day after it devalued the drachma by 14 percent to rejoin the European Union's exchange rate mechanism.

The EU devaluation, which also included a 4 percent drop in the value of the Irish punt, came as the bloc prepares to decide in May which countries will join its economic and monetary union, scheduled to start in January.

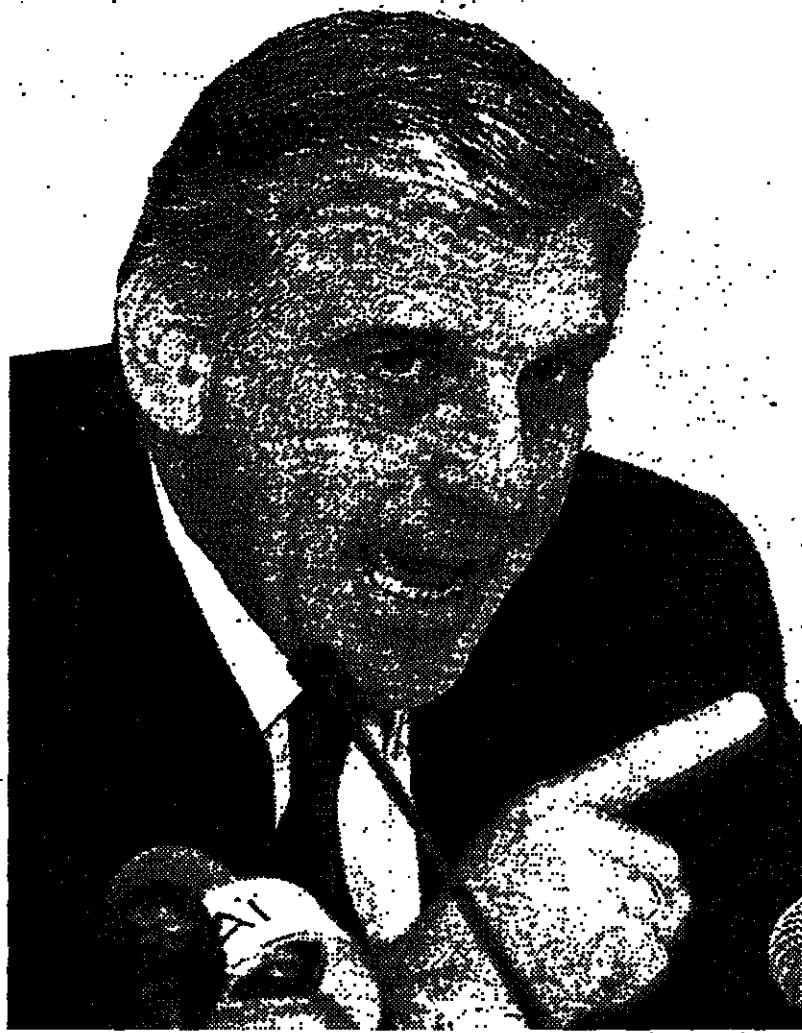
Greece is the only country among the 15 EU nations whose debt, budget deficit and inflation rate are all too high to join the planned single EU currency, the euro, at its inception. Athens said

the revaluation would pave the way for it to join by 2001 instead.

For Ireland, the revaluation of the punt, which has been buoyed by last year's 8 percent growth in gross national product, will help it adopt the euro at a rate that will not fuel inflation.

Finance Minister Yannis Papantoniou of Greece said a policy of a strong drachma had led to low inflation, allowing Athens finally to devalue the currency. "We could only do it now because only now inflation has fallen to an extent that we have been accepted by our partners in the European Union," he said. "As soon as it was possible, we did it."

The drachma joins the exchange rate mechanism with a central rate of 357



Finance Minister Yannis Papantoniou explaining to journalists Sunday why low inflation allowed Athens finally to devalue the currency.

drachma to the European currency unit.

Athens announced plans Sunday to sell off a 49 percent stake in 11 state-run businesses, cut public spending and reform the labor and welfare system in an economic austerity program aimed at preparing the country to join the euro in 2001.

Among the companies Mr. Papantoniou said would be semi-privatized are the telecommunications giant OTE.

The government also planned to cut 200 billion drachmas (\$690 million) from public spending by the end of 1999, with most of the cuts coming from capital investments, and to reform the labor market and the state welfare

system, he said.

"This is a good thing" for Greece, said Steven Bell, economist at Deutsche Morgan Grenfell in London. "We expect the government to pursue a tight monetary and fiscal policy." He added that he expected Greek long-term bonds to rise after ERM entry.

Some analysts were not convinced by the Greek move.

Ioannis Protopapadakis, vice president of Santander Investment in Athens, said that it would not be enough to avoid further depreciation of the drachma.

The Irish currency, meanwhile, will be revalued to 0.796 Ecu. It was trading in a band centered on 2.41 Deutsche marks. (AFP, Bloomberg, Reuters)

## Indonesia Pleads for 'Flexibility' From IMF

By Thomas Fuller  
International Herald Tribune

SURABAYA, Indonesia — Prime Minister Ryutaro Hashimoto of Japan left Jakarta on Sunday with little more than promises on continued economic reforms from President Suharto, a day after the Indonesian leader named a new cabinet that is likely to make more difficult the implementation of the International Monetary Fund bailout package.

In his meeting with Mr. Hashimoto, who arrived in Jakarta on Saturday, Mr. Suharto was quoted as saying that he would honor all promises but that he hoped the international community would be "flexible" in dealing with the current economic crisis.

The comments were echoed by Foreign Minister Ali Alatas.

"Flexibility is needed from all sides between the Indonesian government and the IMF, among the international community and the agencies involved," Mr. Alatas said.

The call for flexibility is widely interpreted as a desire to soften the terms of the \$43 billion bailout package. Last week, IMF officials, apparently reacting to backpedaling by Jakarta on several reforms, postponed a \$3 billion loan installment due this month. But they also indicated that some conditions of the package could be softened.

The meeting Sunday brought face to face the president of East Asia's most troubled economy, Indonesia, and the prime minister of the region's most powerful economy.

Tokyo is the biggest aid donor to Jakarta and the largest bilateral contributor to the IMF package. Japanese banks are also highly exposed in Indonesia, holding about one-quarter of the total foreign debt, or about \$25 billion worth.

Mr. Hashimoto's trip follows a string of visits by foreign envoys from the United States and Europe in recent weeks that were designed to encourage Jakarta to implement the IMF program fully.

In what is widely considered a blow to those efforts, Mr. Suharto's new cabinet includes his daughter, Siti Hardiyanti Rukmana, as social affairs minister, and Mohammad "Bob" Hasan as trade

See INDONESIA, Page 13

## Israeli Diplomat To Head Mossad

JEERUSALEM — The Israeli government approved Sunday the appointment of Ephraim Halevy, a veteran intelligence official and diplomat, to head the Mossad, Israel's secret intelligence agency.

## Kuwait Cabinet Quits in Protest

KUWAIT — The 15 members of the cabinet of Sheikh Jaber al-Mubarak al-Sabah resigned Sunday in protest of a no-confidence vote against the prime minister, Sheikh Nasser al-Mubarak al-Sabah.

## Afghan Militias Battle for Control

KABUL — Afghan government forces and militia battled for control of the city of Kabul Sunday, with government forces claiming to have taken control of the city.

## For the Record

Indonesian President Suharto's new cabinet was announced Sunday. The cabinet includes his daughter, Siti Hardiyanti Rukmana, as social affairs minister, and Mohammad "Bob" Hasan as trade minister.

## A Lively Race on the Net

### Satellite Ventures Vie to Give Users Faster Access

By Richard Covington  
International Herald Tribune

CANNES — Frustrated by slow connection speeds, more than 10 million users gave up last year on the World Wide Web, also known as the worldwide wait, according to Intel's Information Group Inc.

Even though about 200 million people around the world continue to log on to the Internet, with hundreds of thousands of new users signing on each month, the snail's pace delivery of text, music and video was the principal reason cited by those no longer using the Web, in the survey by the multimedia research firm based in Massachusetts.

Faced with the prospect of squeezing elephantine digital content through outmoded telephone lines, disgruntled Internet users have even formed political lobbying groups such as the loose coalition of digital artists and technological advocates at a Documenta art exhibit last summer in Kassel, Germany, who started a movement demanding "bandwidth for all."

Europe, where about 30 million households already have satellite dishes for television reception, may

find relief from slow bandwidth connections sooner than the United States does, in the form of rapid on-line consumer access via satellite and other broadband delivery systems. A host of competing ventures, based in France, Luxembourg, Germany and Switzerland, are vying for the business-to-business and consumer market and are expected to start delivering individualized Internet connections by satellite as early as this autumn.

By contrast, Teledesic Corp.'s \$9 billion project to launch a network of satellites for Internet delivery and high-speed data, voice and multimedia links is not scheduled to start serving customers until 2002, executives of the U.S.-based company say.

NetPlus, a satellite delivery network backed by the consortium of Canal Plus SA, Bertelsmann AG, America Online Inc. and the French telecommunications company Cegetel, a subsidiary of Compagnie Generale des Eaux, announced last month at the Milia multimedia market in Cannes that it was set to start testing the service in France this month, with consumer subscriptions starting by September.

To access Net Plus, users need a computer, modem, satellite dish and the television network's digital decoder, although the company may yet decide to bypass the decoder and de-



European advocates billboard the demand for better Net service.

liver the Internet directly to customers' computers, said Alain LeDiberder, the network's director for new programs.

A similar service has already been deployed with the decoder, relying instead on a computer with a digital video broadcast card, which sells for around \$300, about the same price as a decoder. Astra-Net European Satellite Multimedia Service SA, the Luxembourg-based satellite operator jointly

owned by the European Society of Satellites, Intel Corp., Deutsche Telekom AG, Hughes Network Systems and P&T Luxembourg, is delivering data, video and multimedia at 36 megabits per second, about a thousand times the speed of modem connections over ordinary phone lines.

Although the service is available so

See INTERNET, Page 13

## A Prince for South Koreans?

### Saudi Is Expected to Invest

By Don Kirk  
International Herald Tribune

SEOUL — Prince Walid bin Talal of Saudi Arabia arrived here Sunday as the latest and potentially biggest investor so far in the hard-hit South Korean economy.

Prince Walid said that he was considering investments in two of the country's largest chaebol, or conglomerates, top-ranked Hyundai Group and Daewoo Group, which is ranked fourth in terms of sales and assets.

The prince said after arriving here that he was planning to lead a team of investors and promised to reveal how much he was investing and in exactly which area in the next day or so.

South Korean newspapers reported that he was planning to pour \$100 million into Daewoo Corp., that conglomerate's trading and construction arm.

Lee Kyong Hun, the president of Daewoo's China headquarters, greeted Prince Walid at the airport, where he said that Daewoo and the prince were to announce the investment Monday afternoon but that "the Korea media have embarrassed us by their premature reports."

The prince planned to meet on Monday with the group's chairman, Kim Woo Choong.

Prince Walid's investment was expected to be in the form of convertible bonds that could ultimately make him Daewoo Corp.'s largest single investor with a stake of 10 percent.

He already owns Daewoo Corp. bonds valued at more than \$50 million.

The efforts of both Daewoo and Hyundai in persuading Prince Walid to invest in their groups indicates the depth of their financial problems.

Both conglomerates, like other large chaebol, have been resisting suggestions by the International Monetary Fund — made as part of its \$43 billion rescue plan for South Korea — that they shed some of their weaker companies while looking for investors.

The prince will meet with President Kim Dae Jung on Tuesday, following in the footsteps of other celebrity investors. Mr. Kim has already received the pop star Michael Jackson, and the financier George Soros, both of whom attended his inauguration on Feb. 25 and have promised to invest.

Prince Walid, whose personal wealth of approximately \$12 billion makes him the 11th richest man in the world, said that he and the president would discuss "Korean and Saudi investment plans."

The prince offered no details.

## CURRENCY RATES

Cross Rates	March 13
Australia	1.0000
Canada	1.0000
France	1.0000
Germany	1.0000
Italy	1.0000
Japan	1.0000
UK	1.0000
US	1.0000
Other Dollar Values	
Argentine peso	1.0000
Australian dollar	1.0000
Canadian dollar	1.0000
French franc	1.0000
German mark	1.0000
Italian lira	1.0000
Japanese yen	1.0000
UK pound	1.0000
US dollar	1.0000
Forward Rates	
30-day	1.0000
60-day	1.0000
90-day	1.0000
180-day	1.0000
360-day	1.0000

## Counterfeiters Thrive in Paraguay

By Diana Jean Schemo  
New York Times Service

CIUDAD DEL ESTE, Paraguay — If ever there was a monument to free enterprise and the absence of government regulation, it is Ciudad del Este, where 90 percent of what is sold is counterfeit, where 3,000 pounds of cocaine a month leaves for Brazil, the United States and Europe, and where arms trafficking and money laundering are rampant.

"Anything you want, you can buy here," a businessman said. "Legal, illegal, whatever."

Ciudad del Este, which conveniently straddles the Brazilian and Argentine sides of the breathtaking Iguaçu Falls, is the latest battleground in a fierce dispute between U.S. companies that are trying to protect their patents, licenses and trademarks and the legions of Third World entrepreneurs who make their livings from cheap knockoffs.

Many goods sold here arrive in pieces from the Far East and are assembled in clandestine plants, some of them just upstairs from the retail stores. Phony labels are slapped on, and what is not sold here leaves for other countries, sidestepping quotas for Asian imports. Wholesalers and street peddlers come here

from around the continent seeking items such as fake Motorola Inc. cell-phone batteries, outwardly indistinguishable from the original, that sell for \$90 instead of the \$279 a local department store charges. Compact disks of video games go for \$3 instead of \$89 (the price goes down to \$2 apiece for 10 or more, a boy selling them confided). The latest Nike and Reeboks are \$25.

"Even the judges down there don't do anything," said Pedro Contreras, who heads the anti-counterfeiting squad of the national police. "They're bought and controlled by organized crime."

The local government has largely taken the side of the small businesses.

"It's a form of survival for many Brazilians and for many Paraguayans as well," said Carlos Barreto, the state governor, who was placed under investigation after a clandestine airstrip and two unmarked planes were discovered on his property.

"When you have a problem with executives, you find solutions by passing laws. But for poor people, it's only through the stomach that you find solutions."

Because Paraguay lacks significant natural

See PARAGUAY, Page 13

## FIDELITY SPECIAL GROWTH FUND

Société d'Investissement à Capital Variable  
Kansallis House - Place de l'Etoile  
B.P. 2174, L-1021 Luxembourg  
R.C. Luxembourg B 20095

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Fidelity Special Growth Fund, a Société d'Investissement à Capital Variable organized under the laws of the Grand Duchy of Luxembourg (the "Company"), will be held at the registered office of the Company, Kansallis House, Place de l'Etoile, Luxembourg, at 11.00 a.m. on March 26, 1998, specifically, but without limitation, for the following purposes:

1. Presentation of the Report of the Board of Directors
2. Presentation of the Report of the Auditor
3. Approval of the balance sheet and income statement for the fiscal year ended November 30, 1997
4. Discharge of the Board of Directors and the Auditor
5. Election of five Directors, specifically the re-election of Messrs. Edward C. Johnson 3d, Barry R.J. Bateman, Charles A. Power, Jon Haskins and Richard Pines van den Hoven and the acknowledgment that the seat of Mr. Charles T.M. Collis remains vacant
6. Election of the Auditor, specifically the election of Coopers & Lybrand, Luxembourg
7. Declaration of a cash dividend in respect of the fiscal year ended November 30, 1997
8. Consideration of such other business as may properly come before the Meeting.

Approval of items 1 through 8 of the agenda will require the affirmative vote of a majority of the shares present or represented at the Meeting with no minimum number of shares present or represented in order for a quorum to be present.

Subject to the limitations imposed by the Articles of Incorporation of the Company with regard to ownership of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A Shareholder may act at any Meeting by proxy.

Dated: February 3, 1998  
By order of the Board of Directors

Fidelity Investments



## CAPITAL MARKETS ON MONDAY

## Inflation Outlook Inspires Bond Bulls

Compiled by Carl Gewirtz

NEW YORK — Confidence that inflation will not pick up soon is driving many bond investors to keep increasing their holdings.

"Low inflation is going to win out," said David Berry, a trader at Lincoln National Corp., who bought Treasury securities last week.

Investors shared his sentiments about inflation, ignoring government reports of an increase in new jobs and robust retail sales. Treasury bonds rose for the week, with the yield on the benchmark 30-year bond dropping to 5.89 percent from 6.02 percent.

Since March 3, the bond has risen \$26.56 per \$1,000 invested, offering a return in 10 days of 2.8 percent.

Mr. Berry said yields

February producer price report. But the losses were modest compared with the recent gains.

"The Clinton situation

## U.S. CREDIT MARKETS

would fall to 5.5 percent in coming months.

The Treasury will sell \$6.25 billion worth of three-month bills and \$7.25 billion worth of six-month bills Monday.

Treasury bonds slipped Friday amid uneasiness about President Bill Clinton's political future and on a somewhat disappointing

counter" with the president. Traders also were disappointed when producer prices for February fell 0.1 percent, less than the 0.3 percent many analysts had predicted.

While the core rate rose 0.1 percent, against forecasts of a 0.1 percent decline. But they said the reading was not all that problematic for the market because it still suggested inflation remains in check.

"When the market ignores numbers that are usually negative for bonds, as it has, you have to pay attention," said Lennart Carlson of Aetna Investment.

(Bloomberg, Bridge News, WP)

## Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending March 13. Prices supplied by Telekurs.

Rnk Name Cpn Maturity Price Crd Yld

246 Argentina FRN 3.154 04/01/07 91.7584 3.4400

136 Austria 4.30 07/15/03 98.1500 4.3800

British Pound

113 Annington FRN 8.09 01/22/23 95.2138 8.5000

161 Cable Wireless 7% 02/02/05 101.1388 7.0400

206 BA Credit Card 7% 10/15/04 100.7500 7.0700

209 Fin Resid Hous 11.126/09/20 147.3844 7.5500

210.8 Fleming Cap 8% 12/31/99 104.2750 8.0200

232 Annington FRN 7.713 12/15/24 100.0600 7.7100

231 Canada 5% 09/01/02 100.7393 5.4600

Danish Krone

12 Denmark 7 11/15/07 112.3500 6.2300

22 Denmark 8 03/15/06 117.9000 6.7900

24 Denmark 6 11/15/04 110.7900 7.2100

169 Nykredit 100/125 100.1000 6.9900

171 Nykredit 100/125 100.1000 6.9900

197 Nykredit 6 10/01/29 95.9500 6.2700

239 Realcredit 6 10/01/29 95.9500 6.2700

Deutsche Mark

1 Germany 6 07/04/07 107.0323 5.6100

2 Germany 6 01/04/07 106.8500 5.6200

17 Germany 5 11/15/02 101.8884 6.1800

5 Germany 5 11/15/02 101.8884 6.1800

6 Germany 4 12/17/99 100.7346 6.2200

8 Germany 4 12/17/99 100.7346 6.2200

8 Germany 8 09/20/01 112.6379 7.1300

9 Germany 6 03/15/00 104.8000 6.2800

10 Germany 6 03/15/00 104.8000 6.2800

14 Germany 7 01/03/05 114.4100 6.4500

15 Germany 4 08/15/02 106.2501 6.4800

16 Germany 4 07/02/02 110.7850 6.5000

17 Germany 5 01/04/28 106.0400 6.5200

18 Germany 9 10/20/00 111.7100 6.0600

19 Germany 4 05/17/02 106.0780 6.5000

20 Germany 6 10/17/02 107.9500 6.5900

21 Germany 6 08/20/01 113.8800 6.7600

22 Germany 14 10/01/02 112.9300 6.8600

23 Germany 6 07/02/02 113.5200 6.8800

24 Germany 6 05/13/04 110.8269 6.0900

27 Germany 6 01/05/04 106.7100 6.5200

29 Germany 4 05/17/02 106.0780 6.5000

30 Germany 6 04/26/04 108.5140 6.7600

31 Germany 9 09/09/04 114.7500 6.5400

32 Germany 6 02/28/02 109.0800 6.5200

33 Germany 3 03/19/99 100.0000 6.7500

39 Germany 4 11/20/01 101.5383 6.6800

40 Germany 4 08/20/01 111.7100 6.0600

41 Germany 4 02/22/02 100.2667 4.9000

42 Germany 3 04/16/99 99.7500 3.5200

43 Germany 6 01/15/00 111.5600 6.1800

47 Germany 5 02/21/01 102.7000 5.1100

51 Germany 7 11/15/04 114.9825 6.5200

52 Germany 6 07/20/00 110.9200 7.9300

53 Germany 4 07/20/00 103.1500 6.1800

54 Germany 4 09/17/99 100.7346 6.2200

57 Germany 5 05/15/00 103.4000 6.4600

58 Germany 6 02/01/04 104.9200 6.6100

59 Germany 6 09/15/03 106.5000 6.5300

61 Germany 6 04/22/02 108.4763 5.9900

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63 Germany 6 02/15/04 106.7500 6.4000

64 Germany 6 01/17/98 99.6600 2.9300

65 Germany 6 02/15/04 106.7500 6.4000

66 Germany 7 01/15/00 105.2850 6.4500

67 Germany 6 07/09/03 109.1400 6.0700

68 Germany 4 04/22/03 109.8900 6.1600

69 Germany 4 05/21/01 102.7100 4.9500

85 Treasury 6 11/15/03 106.4300 5.4600

February producer price report. But the losses were modest compared with the recent gains.

"The Clinton situation

## U.S. CREDIT MARKETS

would fall to 5.5 percent in coming months.

The Treasury will sell \$6.25 billion worth of three-month bills and \$7.25 billion worth of six-month bills Monday.

Treasury bonds slipped Friday amid uneasiness about President Bill Clinton's political future and on a somewhat disappointing

## Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending March 13. Prices supplied by Telekurs.

Rnk Name Cpn Maturity Price Crd Yld

246 Argentina FRN 3.154 04/01/07 91.7584 3.4400

136 Austria 4.30 07/15/03 98.1500 4.3800

British Pound

113 Annington FRN 8.09 01/22/23 95.2138 8.5000

161 Cable Wireless 7% 02/02/05 101.1388 7.0400

206 BA Credit Card 7% 10/15/04 100.7500 7.0700

209 Fin Resid Hous 11.126/09/20 147.3844 7.5500

210.8 Fleming Cap 8% 12/31/99 104.2750 8.0200

232 Annington FRN 7.713 12/15/24 100.0600 7.7100

231 Canada 5% 09/01/02 100.7393 5.4600

Danish Krone

12 Denmark 7 11/15/07 112.3500 6.2300

22 Denmark 8 03/15/06 117.9000 6.7900

24 Denmark 6 11/15/04 110.7900 7.2100

169 Nykredit 100/125 100.1000 6.9900

171 Nykredit 100/125 100.1000 6.9900

197 Nykredit 6 10/01/29 95.9500 6.2700

239 Realcredit 6 10/01/29 95.9500 6.2700

Deutsche Mark

1 Germany 6 07/04/07 107.0323 5.6100

2 Germany 6 01/04/07 106.8500 5.6200

17 Germany 5 11/15/02 101.8884 6.1800

5 Germany 5 11/15/02 101.8884 6.1800

6 Germany 4 12/17/99 100.7346 6.2200

8 Germany 4 12/17/99 100.7346 6.2200

8 Germany 8 09/20/01 112.6379 7.1300

9 Germany 6 03/15/00 104.8000 6.2800

10 Germany 6 03/15/00 104.8000 6.2800

14 Germany 7 01/03/05 114.4100 6.4500

15 Germany 4 08/15/02 106.2501 6.4800

16 Germany 4 07/02/02 110.7850 6.5000

17 Germany 5 01/04/28 106.0400 6.5200

18 Germany 9 10/20/00 111.7100 6.0600

19 Germany 4 05/17/02 106.0780 6.5000

20 Germany 6 10/17/02 107.9500 6.5900

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69 Germany 4 05/21/01 102.7100 4.9500

85 Treasury 6 11/15/03 106.4300 5.4600

## Jumbo Global Issues Still in Favor

By Carl Gewirtz

International Herald Tribune

PARIS — Having already set a record

quarterly pace of activity, the international capital markets are losing some of their effectiveness as investors move to the sidelines looking for fresh signals as to whether long-term interest rates can continue their decline.

Analysts view the future as promising. The U.S. government is expected to pay down debt in the second quarter, giving the benchmark for world markets a positive tone. Likewise, the depressed price of oil is putting a favorable glow on inflation reports everywhere. But professionals worry about how much of this good news is already reflected in market prices, and they report that institutional investors are showing increasing reluctance to chase after paper where there is no "story."

The jumbo global issues remain a favorite story because investors perceive these issues as providing higher income than government bonds and virtually as much protection — an ability to unload positions at a minimum loss if conditions suddenly turn ugly. But that assumption has yet to be tested.

Although \$4 billion is a lot of liquidity, some bankers insist that it is still nothing compared with what is available in domestic government-bond markets,

adding that getting out of positions may prove more difficult in times of stress than is assumed.

Nevertheless, jumbos are the fad. The latest to tap into this demand was the World Bank, which last week sold \$4 billion worth of five-year notes priced to yield 14 basis points, or 0.14 percentage point, more than U.S. government paper. Underwriters estimated that 40 percent of the issue was sold in Europe, 35 percent in the United States and 25 percent in Asia. With bonds down overall in New York trading Friday, the World Bank notes ended the week at a spread of 14.25 basis points over the government paper.

The most controversial deals were the Federal Home Loan Bank's \$2 billion worth of three-year notes and the Tennessee Valley Authority's \$1 billion worth of 15-year bonds.

The Federal Home Loan Bank's issue stirred criticism, which its lead manager, ABN-AMRO Holding NV, insisted was unjustified backbiting from American banks angry to see a Dutch bank leading an issue for a U.S. agency. The notes were priced at a spread of 14 basis points over comparable U.S. government paper, and ended the week at a spread of 13.25 points. ABN said that two-thirds of the issue was sold outside the United States and that central banks bought 20 percent and pension funds and insurance companies bought another 20 percent.

The TVA issue was deemed to have too long a maturity for international tastes, but lead managers insisted that only 40 percent was sold to U.S. investors.

Other bonds that moved on a "story" were the debut offering of \$500 million worth of five-year notes from Diageo PLC, the entity resulting from the merger of the beverage businesses of Guinness PLC and Grand Metropolitan PLC, and \$1 billion, increased from \$750 million, of five-year notes from Sears, Roebuck & Co., a company rated single-A, or top, that is rarely seen in the international market.

Admittedly small beans compared with these jumbo issues, the other bonds with a story included the first-ever international global bond denominated in Russian rubles. Issued by the European Bank for Reconstruction and Development, the one-year notes provide considerable advantages for investors who are willing to take the currency risk but want to minimize the credit risk. The bank is a triple-A-rated institution investing in the rehabilitation of Eastern and Central Europe. By contrast, Russia's long-term debt rating was cut last week by Moody's Investors Service Inc. to Ba3 from Ba2. The 300 million ruble (\$49.3 million) worth of one-year notes carry a coupon of 25 percent. That is about 2 percentage points below the yield on Russian government notes.

## New International Bond Issues

Compiled by Laurence Desvillettes

Issuer Amount (millions) Maturity Coup. % Price Price end week Terms

Floating Rate Notes

Christiana Bank \$250 2003 1/4 99.9425 Over 3-month Libor, Noncallable. Fees 0.15%. Denominations \$10,000. (ABN-AMRO Home Govt.)

Danmarkske Bank \$250 2005 1/4 99.7777 Over 3-month Libor, Noncallable. Fees 0.25%. (Morgan Stanley Olsen Witter.)

Merr



# Ill in Favor

## After Failed 'Breakout,' Dollar Finds Its Friends Fickle

By Carl Gewirtz  
International Herald Tribune

PARIS — Was it the Bank of Greece's sales of dollars to moderate the decline of the drachma prior to its official devaluation? Was it concern over reports that CBS would televise Sunday night Kathleen Willey's allegation of unwanted sexual advances from President Bill Clinton? Or was it a speech by the head of the New York Federal Reserve Bank warning that inflation could be higher than expected?

Frankly, analysts care little which news it was Friday that broke the dollar's stride. For them, the only event that mattered was that the dol-

lar's advance had been halted and that its second attempt of the year to top a mid-January high against the Deutsche mark ended in failure.

The dollar had traded as high as 1.8382 DM on Wednesday, the highest it has been since touching 1.8438 DM on Jan. 19. At the Friday high point of 1.8358 DM, the dollar still appeared ready to challenge the year's high. But after sinking to a low of 1.8107 DM on a plethora of unfavorable news, the dollar closed the week at 1.8178 DM.

"The dollar's attempted breakout failed," said Jim O'Neill of Goldman, Sachs & Co. He said this confirmed his view that the dollar would be trading at 1.75 DM by

summer and then 1.60 DM by the end of the year.

The steepness of the sell-off, amounting to 1.4 percent between Friday's high and low, was clearly fueled by automatic stop-loss selling when the dollar slipped below 1.82 DM.

"It's a sign of how fragile confidence is in the dollar's ability to push higher versus the mark," said Avinash Persaud of J.P. Morgan & Co. But in his view, the wide differential between U.S. and German interest rates is likely to grow in coming weeks, helping push the dollar above 1.85 DM.

At Deutsche Bank, Paul Meggyesi concurred that a widening

interest-rate spread would give the dollar "a marginal positive bias over the coming month." But the dollar's upside potential is limited, he warned, adding that "conditions are not conducive for the dollar challenging the cyclical peak of 1.8905 DM," set in mid-1997.

Ravi Bulchandani of Morgan Stanley said: "The dollar's pause is no more than temporary. I believe that the interest rate story is the key one and that the dollar can go a lot higher against the mark." He said he would stick to his target of 2.00 DM later this year on the expectation U.S. interest rates will rise faster than those in Germany.

Gerard Lyons at DKB Interna-

tional said he saw the dollar's inability to break out of its tight trading range as a sign of vulnerability.

"There are big potential problems on the horizon for the dollar," he said, referring to the expected widening of an already steep U.S. trade deficit. Noting that "a strong dollar is essential" to keep U.S. inflation tamed while giving a lift to Japanese and European exports, he warned that a premature weakening of the dollar would create problems everywhere.

As for the dollar-yen relationship, many analysts agree that the dollar is poised to rise sharply once financial markets get past the artificial pressures of the March 31 end of the fiscal year in Japan.

## Is Brandywine a Dangerously Cautious Fund?

By Kathleen Day  
Washington Post Service

WASHINGTON — Asia's financial crisis has rattled the nerves of many investors, but few as severely as the managers of the \$8 billion Brandywine Fund.

In November, as the bad news hit, Brandywine began to back out of technology holdings, which accounted for 35 percent of its assets. Within three months, the 13-year-old fund went from being nearly fully invested in stocks to more than 70 percent in cash. Since then, many money managers on Wall Street have been waiting to see when Brandywine would jump back in, expecting that its purchases would help bolster stock prices.

The market did indeed take some beatings on the bad news, and technology stocks in particular were hit hard in the fourth quarter as financial markets absorbed the meaning of the economic problems halfway around the world. But the U.S. stock market recovered in January and has been defying bearish predictions, and the highly regarded Brandywine Fund has been left behind.

"They are very far out on a limb," said William Dougherty of Kanon Bloch Carre, a Boston-based consulting firm for retirement plans.

In the fourth quarter of 1997, Brandywine's portfolio declined 14 percent, while the Standard & Poor's 500 stock index rose 2.9 percent, and the Nasdaq composite index rose 11.2 percent. For 1997, Brandywine was up 12 percent, far behind the S&P's 33.3 percent rise

### INVESTING

and only slightly ahead of the Nasdaq's 10 percent increase.

Brandywine has begun to put some of that money to work this month, but Bill D'Alonzo, co-manager of the fund, said its cash position was still "over 50 percent," which would mean it has more than \$4 billion on the sidelines. While that "may drift down" in the weeks and months ahead, Mr. D'Alonzo said that he and the other co-managers, Foster Friess, were not backing away from their basic premise, which is that the fallout from Asia has not yet been fully reflected in the stock market.

"We're still cautious about Asia

and its impact on high-technology stocks," Mr. D'Alonzo said.

After profit warnings by such companies as Intel Corp., Compaq Computer Corp. and Motorola Inc., Mr. Friess said, "we think as we move into March and April we'll see more disappointing numbers from the high-technology companies." For that reason, "we still have a fair amount of cash." As to the market's rise even after such bad news, he said, "We're sitting here, scratching our heads, perplexed at why that is."

Nevertheless, he said, "we have the sense that it's better to lose an opportunity than to lose money."

He said the fund was looking to buy shares in companies that its managers believe will profit from Asia's troubles — companies such as Pier 1 Imports Inc.

Mr. D'Alonzo said fund managers decided the main fallout from the Asian crisis would be a decline in buyers of U.S. high-technology goods, a loss of suppliers to U.S. high-technology companies and an increase in competition from cash-strapped Asian companies that would be willing to underprice U.S. companies. These factors, he said, con-

vinced Brandywine of the downside for many of its technology holdings.

"I think his clients will be outraged if he's wrong," Mr. Dougherty of Kanon Bloch Carre said. "It's a do-or-die strategy."

Mr. D'Alonzo said the fund has had about \$200 million in withdrawals over the past five months, which he called a relatively modest amount that reflects general customer support for Brandywine's strategy.

Kevin McDevitt, an analyst at Morningstar Inc., which monitors the performance of mutual funds, pointed out that Brandywine managers have been right on several occasions when they thought market conditions were worrisome enough to justify a large cash buildup, notably in 1990 during the Gulf War, when energy prices threatened to surge.

But Mr. McDevitt said the size of the market downturn that would be needed to justify Brandywine's position — and make up for lost opportunities — is so big that it is unlikely to occur.

"When you put two-thirds of your assets in cash, you are going to be entirely right or entirely wrong. That's a very high bet," he said.

## Buffett Now Says The Price Is Right

Bloomberg News

OMAHA, Nebraska — Warren Buffett, who warned investors last year that U.S. stock prices were too high, now says the market rally is justified because of low interest rates and the "remarkable" equity returns achieved by companies.

If rates did not rise and returns on equity remained high, "there is no reason to think of stocks as generally overvalued," Mr. Buffett, chairman of Berkshire Hathaway Inc., wrote in his annual letter to shareholders, which was published on the Wide World Web. "On the other hand, returns on equity are not a sure thing to remain at, or even near, their present levels."

Mr. Buffett, who owns stakes in such companies as American Express Co. and McDonald's Corp., warned investors the past two years that stock prices were too high. Last year, he said they risked paying too much for "virtually all stocks," and in 1996 he said Berkshire shares were too expensive.

## Lockheed Weighs Sale Of Some Units

By Tim Smart  
Washington Post Service

WASHINGTON — To gain Justice Department approval of its \$12 billion purchase of Northrop Grumman Corp., Lockheed Martin Corp. is considering selling some of its businesses to hold on to desirable Northrop assets, sources close to Lockheed Martin said.

"Maybe there are better fits with other companies," said one of the sources, who described the evaluation going on at Lockheed Martin headquarters in Bethesda, Maryland, as "shaping and refining the portfolio."

Lockheed Martin is the largest U.S. defense contractor. Its \$28 billion a year in sales come from businesses ranging from making fighter planes and satellites to designing and installing high-tech electronics and subsystems.

The source said Lockheed Martin was measuring its own defense electronics businesses, including its Sanders unit based in Nashua, New Hampshire, with those that Northrop Grumman acquired from Westinghouse Corp. in 1996, including the company's division in Linthicum, Maryland.

Sanders is the heart of Lockheed Martin's electronic systems integra-



SHOW OF ARMS — The United Arab Emirates' defense minister, Mohammed bin Rashid al Maktoum, right, listening as Jerry Wooding, director of British Aerospace, described the Eurofighter at the Tridex show in Abu Dhabi on Sunday.

tion work, while Northrop Grumman's electronics facility is considered an industry leader in radars and other defense electronics.

A Lockheed Martin spokesman said Friday that the company was working on a proposal aimed at defining Justice Department concerns that first became public March 9 when the company said the government was "fundamentally opposed" to the merger. "Any speculation is premature," he said.

On Thursday, senior government officials said that one of the options they had presented to Lockheed Martin executives was selling all of the Northrop Grumman electronics units — a divestiture valued at as much as \$4 billion.

That would leave Lockheed Martin with Northrop Grumman businesses that make key airplane parts for Boeing Co.'s commercial jets, the B-2 bomber, and an information technology unit.

## INTERNET: Users Seeking Speed

Continued from Page 11

far only to businesses, Charles Josa, an Astra-Net sales executive, said it would start signing up individuals within 18 months.

Another venture, Internet in the Sky, which is based around the corner from Astra's Luxembourg complex, plans to offer satellite delivery of television signals from Beijing to Tel Aviv. Equipped with a computer and satellite dish, users tune into a Web site with a flat map of the world and scan across the globe, tuning into television stations much as they might find a radio station. Once the station is selected, a real-time video transmission appears on the screen.

While the technology exists for such television access, obtaining broadcast rights from the myriad networks involved remains problem-

atic, said Caroline Nevejan, director of the Amsterdam-based Society for Old and New Media, which designed the Web site. Although the Internet in the Sky was tested last summer on a local basis, there is so far no date for starting the service, she said.

For those Internet users without a satellite connection, the German television manufacturer Loewe Opta GmbH is offering a quick but costly solution. Within the next two weeks in Germany, later this year in France and next year in the United States, Loewe will start sales of its digital PC-TV. At 6,500 Deutsche marks (\$3,600) it provides rapid Internet access without requiring a separate decoder or set-top box.

Internet address: [CyberScope@iuh.com](http://CyberScope@iuh.com)  
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## EMU: Central Bank Faces Tough Tasks

Continued from Page 11

of key executives at the European Central Bank is not politicized, the hardest part is still to come: the transition from theory to practice.

After the central bank starts operations, finance ministers will also have to make sure that the Stability Pact — the accord that calls for members of the single currency to apply peer pressure on each other to keep budget deficits low — does not create a situation in which individual governments are unable to compensate for recession or high unemployment by raising spending.

"My concern," said Alison Cottrell, chief European economist at PaineWebber in London, "is not

with the central bank, but with the politicians."

"If a single institution sets a single monetary policy for a broad block of countries," she added, "that makes the need for flexibility on the fiscal side crucial because you will have varying needs in various countries."

Ms. Cottrell and even some officials doubt that the stiff penalties for countries that exceed the Maastricht deficit targets will ever be imposed.

"Forget the stability pact," said one European central banker. "It's a toothless pact. Can you imagine European governments really putting sanctions on each other, knowing the same could happen to them?"

## PARAGUAY: Knockoff Heaven

Continued from Page 11

resources, smuggling has a long history here. Under pressure from the recording, pharmaceutical and software industries, Washington is threatening Paraguay with economic sanctions if it does not take steps to protect intellectual property.

The recording industry estimates losses of \$125 million a year from counterfeiting in Paraguay, and software makers say they have losses of up to \$25 million, according to the U.S. Embassy in Asuncion.

Juan Silvero, 43, came to this region to build the Itaipu dam. When the job ended five years ago, he used his severance pay to start a business selling copycat sneakers.

"The United States is leaning on Paraguay because it's a weak country," he said. "Why doesn't it lean on China or Taiwan, where the goods come from?"

Gregorio Romero, a neighbor who sells knockoff socks, nodded in agreement.

The local chief of police, Ricardo Caballero, lamented a lack of money from overseas to fight counterfeiting. But when asked why he took no action against the thousands of peddlers selling obvious knockoffs from every available inch of street space, he said: "I'm a policeman. It's not my specialty to determine what's legitimate, and what's false."

Speaking in the Mona Lisa, a chic department store, Mr. Caballero estimated that 100,000 vendors, with families, worked in Ciudad del Este. Others put the figure at 7,000. If he were to seize the merchandise, Mr. Caballero said, "it's 500,000 people who won't eat the next day."

## ASIA: More Turmoil May Lie Ahead

Continued from Page 1

South Korea it is 9.5 percent, and in Indonesia, it is a whopping 32 percent. Growth forecasts have been shaved across the region, with Thailand's economy expected to shrink by as much as 3.5 percent this year. And millions more Asians will be out of work this year. In Thailand alone, unemployment is at 1.5 million and is projected to rise to 2 million in 1998.

One uncertain element haunting the region is the outlook for China, where economists and others fear a growth slowdown in the world's most populous nation could dramatically disrupt Southeast Asia's recovery efforts.

While Chinese officials insist they can achieve 8 percent growth this year, down from 8.8 percent last year, most analysts believe that is optimistic. Chinese officials said this month that foreign investment could drop by a third, the \$40 billion trade surplus could evaporate and millions more Chinese workers could face unemployment. Most analysts are forecasting growth slowing to 4 percent to 7 percent.

Sanjoy Chowdhury, managing director of Fraser-AMMB Research Pte. in Singapore, said that after the last Southeast Asian downturn in 1985, it was two years before the region's economies were able to revive. This time, he said, he does not expect a turnaround until the latter half of 1999. "We may be close to the bottom, but I'm not sure it will be turning up anytime soon," he said.

The main trouble spot remains Indonesia, which is grappling with its worst crisis in three decades, with food riots and attacks on ethnic Chinese in the provinces, unrest on college campuses in the capital and questions about whether the country's new vice president, B.J. Habibie, is a credible successor.

Concerns that President Suharto, who was elected last week to a seventh five-year term by an assembly he largely controls, is preparing to jettison the country's IMF reform package led to a holdup of the latest disbursement of aid, prompting fears the entire package was unraveling. And his new cabinet, named Saturday, is made up of cronies, including one of his closest business associates, and his eldest daughter.

The battered Indonesian rupiah has reflected those concerns, with the dollar soaring to a high of 12,500 rupiah from around 2,500 last fall. On Friday, it was at 10,550 rupiah.

"If you're looking at structural changes that need to be put in place, then yes, that looks like it's happening around the region, in South Korea, in Thailand," said Bruce Gale of the Singapore-based Political and Economic Risk Consultancy group. "The Achilles' heel, though, is Indonesia — and this is why you have this parade of government officials from all over the place flying into Jakarta."

Several analysts said political factors might still cause problems even in countries making progress toward recovery.

In Thailand, where Mr. Chuan has received widespread praise for adhering to strict IMF guidelines, the government faces a parliamentary vote of confidence this month. In the Philippines, which generally has been less affected by the regional crisis, elections in May could see a former movie actor, Joseph Estrada, become the next president. Foreign

investors and local business leaders question whether Mr. Estrada would continue the liberalization and privatization measures now under way.

There are also serious new concerns that Malaysia may be in worse shape financially than the government in Kuala Lumpur has acknowledged so far.

With countries now liberalizing their rules on foreign ownership, and with everything from banks to factories offered at fire-sale prices, this is supposed to be the time when overseas companies come to Asia to look for bargains — bringing with them badly needed capital.

So far, there has been plenty of browsing, but few signed deals.

"Not many people are prepared to put their money in," said Lim Say Boon of Crosby Corporate Advisory in Singapore. "Anyone with longer than an 18-month horizon would find this a great time to get in," he said. But "if you're the CEO of a very large corporation, you have to answer to your stockholders once a year."

## INDONESIA: Reform Is Stalled

Continued from Page 11

and industry minister, Mr. Hasan, one of Indonesia's richest men and a longtime friend of the president, controls a lucrative timber cartel that was slated to be dismantled under the terms of the IMF agreement.

Some analysts said putting Mr. Hasan in charge of the trade and industry portfolio could be compared to appointing the head of Microsoft Corp., Bill Gates, as the head of the U.S. Justice Department.

"At least Bill Gates has a good reputation," said Anwar Nasution, dean of the faculty of economics at the University of Indonesia.

Mr. Hasan's operations were accused last year of contributing to the haze that covered much of Southeast Asia by clearing land through open burning.

Mr. Suharto's daughter, who is known by her nickname, Tutut, has wide-ranging business interests centered around a road-building company. Opposition members accused Mr. Suharto of nepotism, a common complaint against the president, whose family is heavily involved in a range of businesses.

"Judging from past reputations, most of these cabinet members are against IMF reforms," Mr. Nasution said.

The International Monetary Fund is requiring Indonesia to dismantle monopolies; cut import tariffs, levies and taxes; end state funding of a national aircraft program; open markets to foreign retailers and enact far-reaching bank reforms.

Jakarta has issued decrees on almost all of the above issues, but has backtracked on two major points, both of which involve close friends or relatives of Mr. Suharto: the abolition of a monopoly on cloves, which are used in domestic tobacco products, and the abolition of special incentives for the country's national car project.

Discussions between the IMF and Indonesian officials are scheduled to continue Tuesday, which could lead to the softening of several conditions considered politically sensitive by Jakarta.

## SHORT COVER

### Malaysia to Announce Cutsbacks

KUALA LUMPUR (Reuters) — Deputy Prime Minister Anwar Ibrahim said Sunday he would announce new measures next week to help control Malaysia's economic downturn, the official Bernama news agency reported.

"Projects which can be deferred will be postponed for six months to a year but not for too long," said Mr. Anwar, who is also finance minister. He said the government would concentrate on critical projects such as poverty eradication and public health programs.

### Hong Kong Newspaper Shuts Down

HONG KONG (AFP) — The financial turmoil in Asia claimed on Sunday one of Hong Kong's Chinese-language daily newspapers.

The loss-making Express News announced its closure on the front page of its final issue: "The Express News has been facing losses for a long time, and the economic downturn in Asia that began at the end of last year has seriously affected the newspaper's advertising revenue," the paper said.

### Korea Eases Rules for Investment

SEOUL (Bloomberg) — South Korea is allowing foreign investors to buy blocks of stock through private negotiations effective immediately, instead of having to acquire shares on the stock exchange, the Securities & Exchange Commission said.

"It's part of plans to deal with foreign investors on the same terms as domestic ones," Byun Kyu Yong, an official at the commission, said Saturday. Korea will also allow foreigners residing in the country to use credit from brokers to buy South Korean stocks starting March 20.

### Thai Trade Surplus Is Growing

WASHINGTON (Bloomberg) — Thailand's current-account surplus is growing by about \$1 billion a month, and the country may not need further international assistance for three to four months, Thai government officials said.

"With that, and slightly higher reserves than previously predicted, we believe we can finance the liquidation of forward contracts on our reserves fully" by September, Finance Minister Tarrin Nimmanahacinda said Saturday.

In an effort to defend its currency, the baht, Thai officials entered into forward contracts — agreements to buy or sell the baht for a specified price at a later date — worth \$23.4 billion dollars. The effort failed, and the country came close to bankruptcy when it devalued its currency in June and July.

### For the Record

• African Life Insurance Co. said its hostile takeover bid for Norwich Holdings had lapsed. African life said another party or parties had blocked the bid by accumulating Norwich shares.

• Malaysia's commitment to proceed with its so-called multimedia supercorridor project to develop information technology despite the country's economic problems "is very commendable," Bill Gates, Microsoft Corp.'s chief, said. He is to visit Malaysia on Wednesday. *Reuters, AFP*

What are the benefits and risks for companies and countries in liberalizing the global market of basic telecommunications services?

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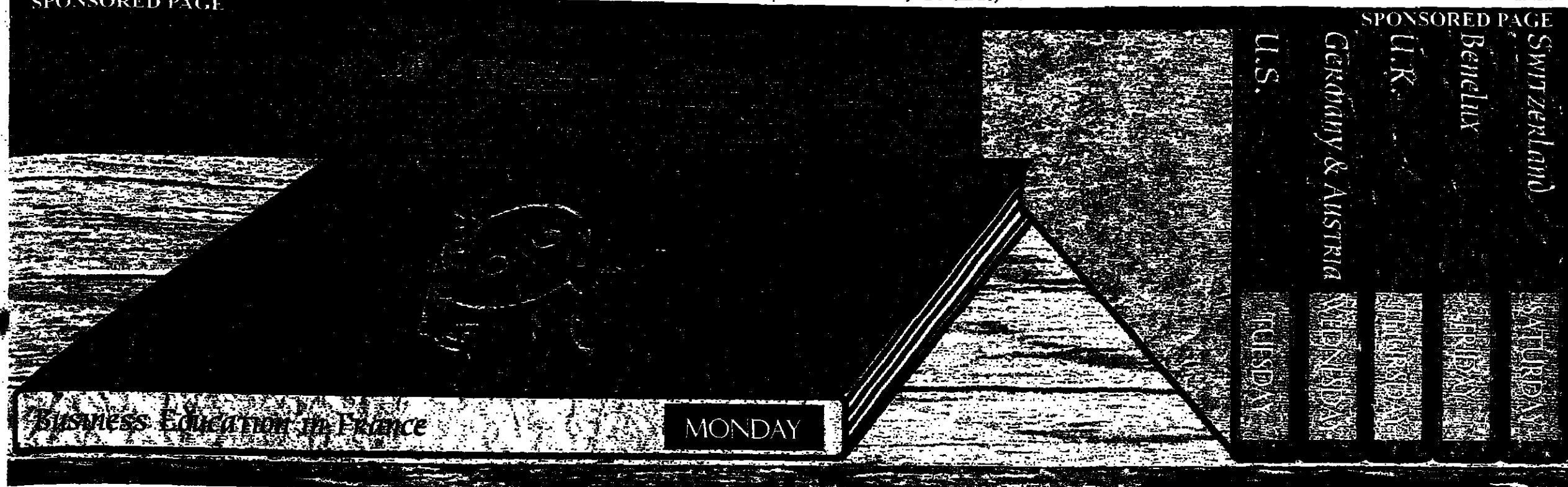
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## NEW PLAYERS ENTER FRENCH LANDSCAPE

Variety of schools and programs gives students a choice.

French degree courses aimed at training students for management careers used to be the preserve of the country's business schools and similar specialized institutes, especially those belonging to the elitist group of *grandes écoles*. Public-sector universities concentrated their interest in business subjects largely on academic analysis of economic principles and business theory.

Today, this picture is changing. Around 30 universities across France now offer degree courses in management, alongside 230 business schools of different types. At the same time, French business schools are re-examining their own management methods and course contents.

Several factors lie behind these trends. One is cost. Course fees alone at a good French business school may be as much as 30,000 francs (\$5,000) a year, a steep figure in French terms. As a result many families have been opting to send their children to free public universities instead. Moreover, shrinking government budgets are encouraging universities to look to the private sector for additional revenue. Launching professionally oriented programs can help to make them more alluring in this respect.

"The particular advantage of our system is that we combine academic research with practical management education for students," says Elie Cohen, president of the Paris-Dauphine university. Dauphine broke new ground when it was founded in 1968 as France's first university to specialize in management sciences. Today, it teaches some 7,300 students, including 700 seeking a DESS or DEA (the French equivalent of a master's degree) in management.

"French business schools — many of which are connected to local chambers of commerce — are generally closer to daily business practice than universities are," says Jean-Paul Leonard, director-general of the Grenoble business school (ESG Grenoble). "On the other hand, major universities boast more extensive research facilities, and they are able to adopt a more detached, analytical approach."

Business schools and universities competing in the management education market are struggling to respond to the changing and varied demands of French businesses.

"The vast majority of our management recruits are young people who have recently obtained their degrees, and we deliberately look for a diverse range of educational backgrounds," says Philippe Louvet, human resources director for the consumer products division at leading French cosmetics company L'Oréal.

Another viewpoint is provided by Annick Allegret at Paris-based management consultants and executive search firm Cegos. "We find that the biggest demand in our sector — managers with several years of working experience — is for graduates from the leading business schools such as HEC and ESSEC."

### Career moves

In this context, both business schools and universities are developing management courses with a specialist element. ESSEC offers MBA programs in luxury goods and agribusiness that are tailored to the specific needs of these two sectors. It has also been a pioneer in developing partnerships with corporations, allowing students to alternate study with in-company internships.

At Dauphine, says Mr. Cohen, "Our advanced-level degrees with an emphasis on areas such as information technology [IT] management and those that offer a double qualification to graduates with qualifications in engineering and similar subjects are currently proving particularly popular."

Another example is provided by the Institut d'Administration des Entreprises (IAE) — part of the Aix-Marseille III university — which offers several DESS programs in sectors such as IT, human resources, communications and health sciences.

"We are well-known as providers of additional management education to French students who obtained their first degrees from engineering schools and similar specialist institutes," says a finance professor, Pierre Bateau. "We are now also placing increasing emphasis on programs such as a new Master of Sciences course in management that can attract international students, and on working with businesses."

Michael Rowe

"BUSINESS EDUCATION IN FRANCE" was produced in its entirety by the Advertising Department of the International Herald Tribune. WRITERS: Joshua Jampol and Michael Rowe in Paris. ILLUSTRATIONS: Karen A. Shekter-Wilson PROGRAM DIRECTOR: Bill Maher.

## FORGING INTERNATIONAL ALLIANCES

Business schools are pooling their resources and crossing cultural boundaries.

The education market is like space exploration. No one nation can go it alone in big projects anymore. Developing programs has become so expensive, and knowledge so fragmented, that schools now form strategic alliances to pool their wares.

The global arena has driven French business schools into the arms of colleges abroad. Many are creating joint MBA or company-focused opportunities that offer added value, particularly in international environments, as companies clamor for managers with skilled hands for a globalized economy.

### Company specific

Ecole de Management Lyon (formerly Groupe ESC Lyon) has a new strategy to go with its new name.

Says Director Patrick Molle: "If a company asks us for a program, we have to be able to build and drive it from several different points. You've got to be heavily linked to others to have the resources you need. Today, you've got to be totally in the global bath."

EM Lyon is building a network of 10 schools that will ultimately share expertise to develop common faculty, research and exchange programs. It is seeking partners in the United States, Asia and Europe.

American candidates are Babson College and the University of South Carolina. England's Cranfield School of Management, with which Lyon has had many exchanges, may come on board. Potential Asian associates are Japan's Waseda University and, in China, the Sun-Yat-Sen University and the China European Institute of Business Studies. Hungarian and Polish schools could also join up.

For company-specific courses, strategic alliances are often born because the client company needs the brand image of several well-known academics, an asset for its internal communications and sales. But sharing risk and resources also adds value, notes Thierry Grange, dean of ESC Grenoble. "When different cultures link up, the quality is better than what any one school could develop alone."

Grenoble has both bilateral and multilateral pacts. In 1993, it began working with England's Henley Management College to provide a Doctor of Business Administration (DBA) modeled on the PhD, but with more business-related research.

Their program is the first doctorate from a French management *grande école* co-produced with a foreign institution and is one of only a handful of DBAs in Europe. The same year, ESCG launched TRANSAT TIM, or Transatlantic Technology and Intercultural Management network, a union of six European and American schools that develop teaching materials using new technologies like multimedia and distance learning.

Bigger schools like INSEAD are riding the wave. In 1996, the Fontainebleau campus began a three-way affiliation with London Business School and Duke University's Fuqua School of Business. Together, the institutions tailor-crafted an 18-month course on organizational transformation for health-care giant Glaxo Wellcome. Says Glaxo's executive development manager, Sue Godfrey: "As a customer, I can be more creative than with just one school. We've got people whose brains are dedicated to us."

European business real-

ties are the focus of many multi-school linkups. The Institute of Business Administration at Aix-en-Provence and ESC Nantes are two parts of a six-way consortium that delivers a Euro MBA. Partners are Open University (Netherlands), University of Jyväskylä (Finland), University College Dublin (Ireland) and University College Delmenhorst (Germany).

Another six-school initiative, PRIME (Program for International Managers in Europe), was launched last year, with Hautes Etudes Commerciales (HEC) as French partner.

The *grande école* works with WU-Wien (Austria), SDA Bocconi (Italy), Rotterdam School of Management (Netherlands), Copenhagen Business School (Denmark) and ESADE (Spain), delivering five modules that outline the political, strategic, functional and implementation sides of European business. The modules — 26 days spread over one year — are held on each campus for five days.

Finally, an international summer-school program, now in its 11th year, will be available in Marseille on July 12-25, hosted by the Ecole

Supérieure de Commerce Marseille-Provence. Aarhus School of Business (Denmark), University of Glasgow (Scotland), Leeuwarden Business School (Netherlands) and Universidade Católica Portuguesa (Portugal) join the French institution in ESSAM (European Summer School for Advanced Management). One

hundred students will come mainly from the partner schools, but also from affiliates in the United States, Canada, Mexico, Finland and Australia.

"Our electives on current business themes set us apart from other summer sessions," says Corinne Marcelli of Marseille's international relations department. A new course this year will highlight information and communication technologies and their implementation.

Joshua Jampol

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## SPORTS

# Hingis Shows Davenport Who's No. 1

By Robin Finn  
New York Times Service

INDIAN WELLS, California — Martina Hingis, making herself at home in this desert oasis on her first visit to the State Farm Evert Cup, had warned that she intended to mop up the court with the event's defending champion, Lindsay Davenport.

No feud, just facts: Hingis does not like to lose to anyone twice in a row, and having lost her title to Davenport in the Toray Pan Pacific Open final last month in Tokyo, she had no intention of letting Davenport repeat the feat.

So, as soon as the grounds crew finished mopping away the residue of the rain showers Saturday morning, the top-ranked Hingis made short work of the second-seeded Davenport, 6-3, 6-4, in the women's final here.

"I was pretty thrilled to come here and win the whole thing," said Hingis, who did not lose a set all week.

The match, which was played under threatening skies, began two hours late. It lasted only 63 minutes.

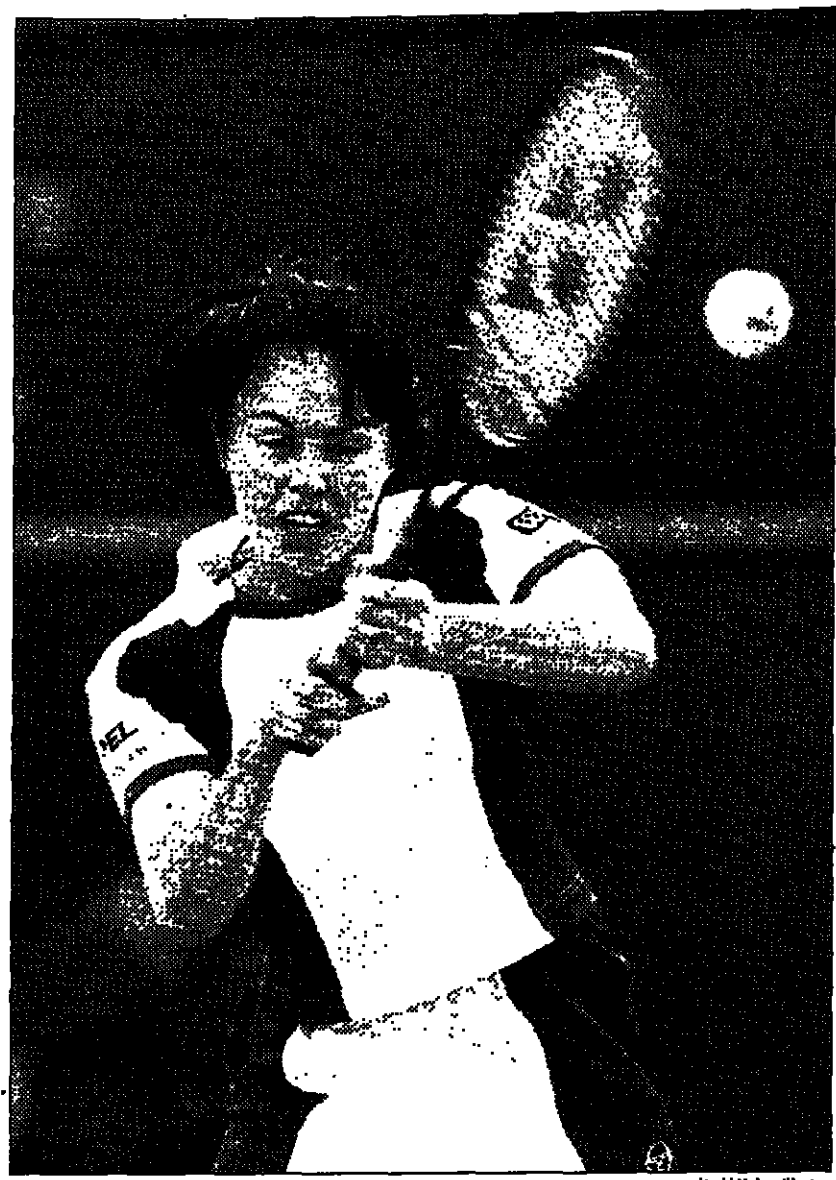
"When you watch her, it doesn't look like she's so dominant, but she really, really is," said Davenport, one of just two players — the other is Steffi Graf — to defeat Hingis twice in succession.

Davenport's unsuccessful attempt to defend her title Saturday, an attempt dented by 27 unforced errors and a return game so anemic that it earned her just one break chance against Hingis's less-than-involutive serve, improved Hingis's overall record against her to 6-4.

"When she loses to someone, she always comes out the next time even a little bit more fired up," Davenport said. "It's fun to try and play her; she's No. 1 by far, and as long as Martina keeps playing as she is right now, she's going to stay there for a while. I clearly didn't play the way I needed to, and she took advantage of it."

Chris Evert, who has often commented that the 17-year-old Hingis's patience, poise and steady shot repertoire remind her of her own, was on hand to present the trophy.

Hingis, who became No. 1 a year ago and collected three of her four Grand Slam crowns while a 16-year-old, earned her 16th title on the WTA Tour



Martina Hingis returning a shot to Lindsay Davenport in the Evert Cup final.

since she turned professional at age 14. "If you can keep playing this well, they're going to have to name a tournament after you," Evert told Hingis, who zipped off in a golf cart with Evert after the match for a catch-up session.

## Rios Stops Gambill's Run

In the men's semifinal of the Newsweek Champions Cup at Indian Wells, California, Robin Finn reported.

Jan-Michael Gambill, the boy wonder who shocked Andre Agassi on Friday, received a large dose of comeuppance Saturday night from Marcelo Rios.

Rios is not known for his deferential attitude toward the big guns — much less a 16th-ranked rookie fresh from the boondocks of the satellite circuit — and

he took advantage of Gambill's obvious fatigue, which dulled the laser accuracy of his double-barreled ground strokes, in a 7-6 (7-3), 6-3 semifinal victory in the Newsweek Champions Cup.

In the final Sunday, Rios was to face a fellow left-hander, Greg Rusedski, who defeated Thomas Muster, 7-6 (7-5), 6-1, in just 59 minutes in the other men's semifinal.

After downing a pair of icons and former No. 1's — Agassi and Jim Courier, along with the Australian serving machine, Mark Philippoussis — to reach this match, the 20-year-old Gambill likened himself to a surfer poised on the crest of a perfect wave.

"But the wave came crashing down today," he said after his loss to Rios.

# Ready or Not, Rupertball Is Here

NEW YORK Times Service  
Under cover of March Madness, the Fox is expected to move into the chicken coop this week.

Rupert Murdoch will buy the Los Angeles Dodgers, assuring his takeover of the national pastime, which will accelerate his domination of international sports and, if he is not stopped by Disney or Time-Warner, his eventual domination of the world.

"Fox was the ideal successor to our family," said Peter O'Malley, whose father, Walter, ripped the Dodgers out of the heart of Brooklyn.

Some might call it March Madness, but I call it Rupertball, and it might be fun. For a while.

Consider Murdoch, Ted Turner and George Steinbrenner bumping shoulders in the same ballpark. Why is it that baseball owners, unlike basketball, hockey and football owners, are more interesting than their players?

Or have we just lost interest in whiny boys who rarely bang into each other?

What are they getting paid to do? Since free agency ended the romantic concept of team, and then baseball writers began rating players by salary rather than game statistics, fans have identified with the owners, who are, after all, richer and more likely to be around next year.

So here's Murdoch, really rich and prepared to be the first all-sports ad hoc czar. He can make the connections with a wink. He has his cables around the National Football League and the National Hockey League. Through his alliance with Cablevision, he owns 20 percent of the New York Knicks and New York Rangers. His Fox Sports Net holds TV rights to 22 of the 30 major-

league teams. And now he will own, outright, a jewel in the crown.

The Dodgers franchise has been one of major-league baseball's few truly national teams, first in Brooklyn, where it became shorthand for goofiness, for losing, later progress, finally betrayal, and now in Los Angeles, where it evokes Hollywood glitz, winning and, thanks to Tommy Lasorda's years of bleeding blue, loyalty.

Much of the goofiness and the glitz was PR, and revisionists wonder whether bringing up Jackie Robinson was the best way to integrate baseball, but the Dodgers have some cool history.

Selling out to Los Angeles uprooted people living in the Chino/Rancho area and assured the end of Brooklyn as anything more than a bedroom and storage space for Manhattan.

It may also have blown a chance to do for New York in the 1960s what a new magazine, commonQuest, is trying to do now: nurture the dialogue between the Jewish and African-American communities.

Racial romantics imagine the impact of a Brooklyn Dodgers team with Sandy Koufax, arguably the game's best pitcher in his prime, and Tommy Davis, the All-Star outfielder. A Jew and a black on the same team might have made a difference here. Could it have changed the course of the city's history?

Murdoch will surely give us fresh outrages. Anybody who can suppress information on China to protect his bottom line will have no problems rearranging the white lines of our games.

For starters, the silly flap over CBS

News correspondents at the Nagano Olympics wearing Nike gear will soon truly quaint.

Look for the political candidates, various Murdoch publications are promoting to show up in winning rooms.

And forget the even sillier flap of members of the American hockey team supposedly trashing several dormitory rooms. Under Rupertball, we will simply never find out about it. Murdoch would suppress that information to protect the players but so that owners would not be intimidated by their workers' solidarity.

Once major-league baseball is in his pocket, Murdoch will move the Dodgers either to Mexico City or a Pacific Rim city.

Makes sense. The NFL All-Star Game, in which North America played the world, was a precursor to the way sports will be marketed on global television.

I hope Murdoch is paying some attention to the NCAA championship tournament, as he slips into our lives.

Murdoch is a little late to corrupt college basketball, although his takeover of Australian rugby is a model. My suggestion is that he pump up collegial golf now that Tiger Woods and Casey Martin are hot properties and role models.

Team golf matches on great courses, tapping in to the next national pastime to a generation watching in a corner of their computer monitors while playing along. Maybe he can turn China into one big golf course. It will end, of course, with a Final Foursome.

## SCOREBOARD

### BASEBALL

#### EXHIBITION BASEBALL

##### FRIDAY RESULTS

Texas 9, New York Yankees 1  
Detroit 4, Kansas City (split-squad game) 2  
Toronto 14, Cleveland 2  
Tampa Bay 13, Philadelphia 12  
Atlanta (A), Kansas City (A) 0  
Cincinnati 1, Minnesota 0  
Boston 3, Pittsburgh 0  
Los Angeles 4, Baltimore 0  
New York Mets 14, Houston 1  
Florida 11, Atlanta (A) 3  
St. Louis 2, Montreal 1  
Anheim (A) 15, Oakland (W) 0  
Anheim (H) 11, Chicago White Sox 9  
San Francisco (A) 7, Seattle 1  
Colorado (A) 6, Oakland (A) 4  
Colorado (A) 3, San Francisco 4  
Chicago Cubs 11, Milwaukee 10, 10 innings  
Arizona 3, San Diego 2

##### SATURDAY RESULTS

Boston 3, Tampa Bay 2  
Texas 9, Toronto 2  
Baltimore 6, Montreal (A) 0  
Pittsburgh 4, Detroit 3  
New York Yankees 4, Atlanta 3  
Philadelphia 1, Cincinnati 0  
New York Mets (A) 3, Montreal (A) 2  
St. Louis 5, N.Y. Mets (A) 10, 10 innings  
New York Yankees 4, Minnesota (A) 4  
Cleveland 11, Seattle 7  
San Diego (A) 2, Anheim 2, mutual agreement

Chicago White Sox 3, San Francisco 7  
Milwaukee 16, Colorado 6  
Chicago Cubs 12, Arizona 9  
San Diego (A) 5, Minor League Future Stars 4, 9 innings, rain  
Minnesota (A) 10, Tampa Bay (A) 4

### BASKETBALL

#### NBA STANDINGS

##### EASTERN CONFERENCE

ATLANTIC DIVISION

MIAMI 35 20 488 84  
NEW YORK 35 20 488 84  
NEW JERSEY 35 20 488 84  
WASHINGTON 35 20 488 84  
ORLANDO 35 20 488 84  
PHILADELPHIA 35 20 488 84

##### CENTRAL DIVISION

CHICAGO 47 19 695 74  
INDIANA 44 22 676 74  
CHARLOTTE 40 24 625 74  
ATLANTA 37 25 611 74  
CLEVELAND 37 25 611 74  
DETROIT 37 25 611 74  
MINNESOTA 37 25 611 74  
TORONTO 37 25 611 74

##### WESTERN CONFERENCE

UTAH 31 27 512 74  
SAN ANTONIO 31 27 512 74  
HOUSTON 31 27 512 74  
MINNESOTA 31 27 512 74  
VANCOUVER 31 27 512 74  
DALLAS 31 27 512 74  
DENVER 31 27 512 74

##### PACIFIC DIVISION

SEATTLE 48 15 762 39  
L.A. LAKERS 48 15 762 39  
PORTLAND 48 15 762 39  
SACRAMENTO 48 15 762 39  
GOLDEN STATE 48 15 762 39  
L.A. CLIPPERS 48 15 762 39

##### FRIDAY RESULTS

DETROIT 19 19 31-34  
BOSTON 18 20 31-32  
CHI 11 11 11-13  
BOS 18 20 31-32  
WASH 8 25 24 19  
REB 15 11 11-13  
LAK 15 11 11-13  
MIL 15 11 11-13  
MIN 15 11 11-13  
VAN 15 11 11-13  
DAL 15 11 11-13  
DEN 15 11 11-13

##### COLLEGE TOURNAMENTS

#### MEN'S NCAA

##### FRIDAY RESULTS

N. Carolina 71, N. Carolina Charlotte 63, OT  
Michigan State 64, Princeton 56  
Washington St. 64, Richmond 44  
Connecticut 75, Indiana 65

##### SOUTH REGIONAL

First Round  
New Mexico 76, Butler 67  
New Mexico 76, Butler 67  
New Mexico 76, Butler 67  
New Mexico 76, Butler 67  
New Mexico 76, Butler 67  
New Mexico 76, Butler 67  
New Mexico 76, Butler 67

##### MIDWEST REGIONAL

First Round  
Florida State 76, Texas Christian 76  
Florida State 76, Texas Christian 76  
Florida State 76, Texas Christian 76  
Florida State 76, Texas Christian 76  
Florida State 76, Texas Christian 76  
Florida State 76, Texas Christian 76  
Florida State 76, Texas Christian 76

##### WEST REGIONAL

First Round  
New Mexico 76, Butler 67  
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MIL 15 11 11-13  
MIN 15 11 11-13  
VAN 15 11 11-13  
DAL 15 11 11-13  
DEN 15 11 11-13

### WEST REGIONAL

#### SECOND ROUND

MIAMI 35 20 488 84  
NEW YORK 35 20 488 84  
NEW JERSEY 35 20 488 84  
WASHINGTON 35 20 488 84  
ORLANDO 35 20 488 84  
PHILADELPHIA 35 20 488 84

#### WOMEN'S NCAA

##### FRIDAY RESULTS

N. Carolina 71, N. Carolina Charlotte 63, OT  
Michigan State 64, Princeton 56  
Washington St. 64, Richmond 44  
Connecticut 75, Indiana 65

##### SOUTH REGIONAL

First Round  
New Mexico 76, Butler 67  
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##### MIDWEST REGIONAL

First Round  
Florida State 76, Texas Christian 76  
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### NEW YORK TIMES SERVICE

#### BASEBALL

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Detroit 4, Kansas City (split-squad game) 2  
Toronto 14, Cleveland 2  
Tampa Bay 13, Philadelphia 12  
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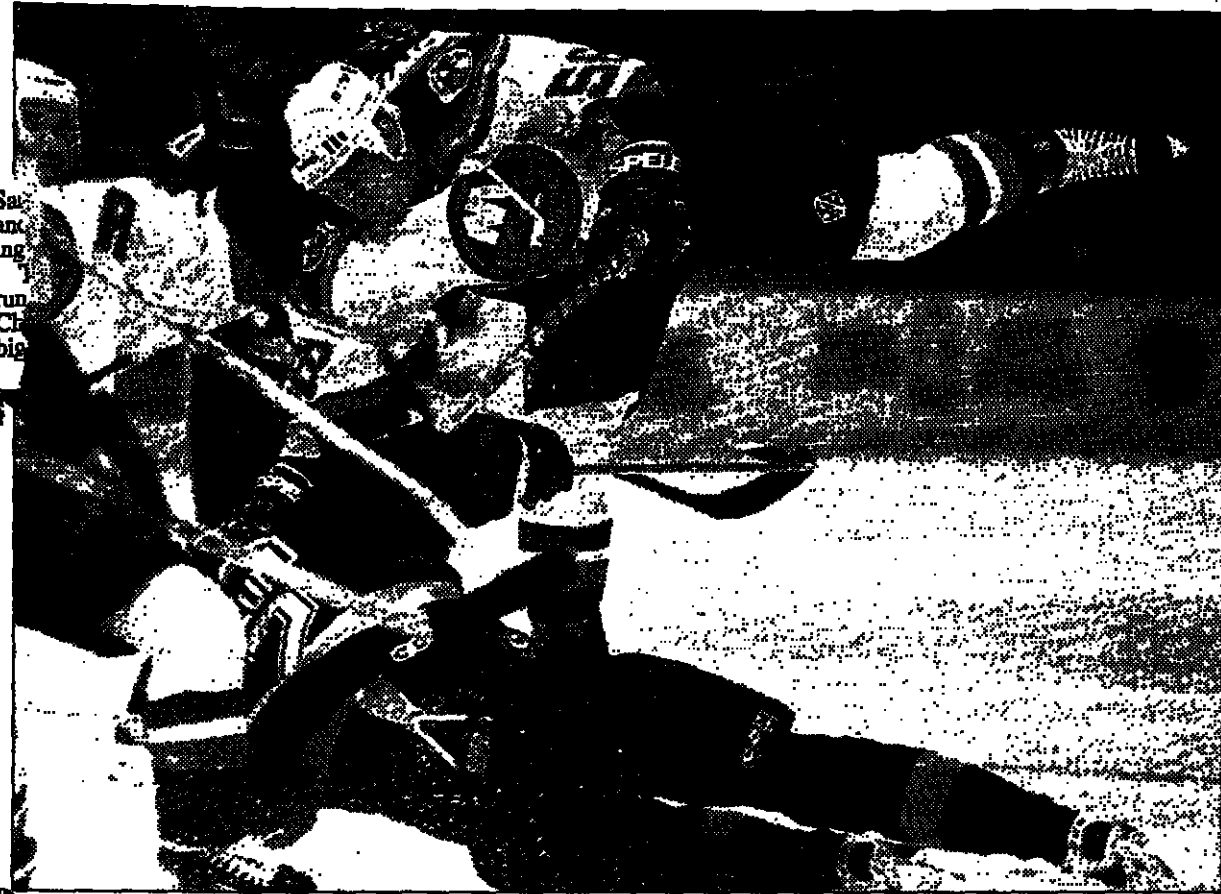
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## SPORTS



The Canucks' Mattias Ohlund sliding on the ice under the Islanders' John Nemecek, top, and Mike Hough.

## Hot Bruins' Duo Sinks the Rangers

**The Associated Press**  
Dmitri Khristich scored twice and played his best game ever as a pro with three assists on goals by Jason Allison as the Boston Bruins defeated the New York Rangers, 5-1.

The five-point effort was a career best for Khristich as the Bruins got their first home victory Saturday in three tries. It was Allison's second three-goal game. The first was against Phoenix on Jan. 8.

**Penguins 2, Sabres 1** Pittsburgh's goaltender, Tom Barrasso, made 37 saves, including two while playing with a two-man disadvantage in the last minute, as the Penguins ended Buffalo's road unbeaten streak at eight games. Martin Straka scored two first-period goals against his Olympic teammate Dominik Hasek as the Sabres lost on the road for the first time since Jan. 20.

**Flyers 6, Red Wings 1** Alexandre Daigle scored three goals as both Philadelphia beat Detroit, ending the Flyers' eight-game winless streak against the 1997 Stanley Cup winners.

**Coyotes 2, Blues 0** Phoenix's backup goalie, Jimmy Waite, made 24 saves, and Gerald DiPietro and Brad Isbister each scored goals to lead the Coyotes over St. Louis. The Coyotes played without their leading scorer, Keith Tkachuk, who is out for two weeks with fractured ribs.

**Kings 5, Avalanche 2** In Inglewood, California, Sandy Moger scored twice on rebounds during a four-minute span of the second period to break open a scoreless game, and Los Angeles went on to beat Colorado. Ian Laperriere, Vladimir

**NHL Roundup**  
Tsyplakov and Dan Bylsma also scored for the Kings, and goaltender Stephane Fiset had 29 saves. Shean Donovan and Valeri Kamensky scored 30 seconds apart for Colorado in the third period.

**Lightning 1, Blackhawks 0** Mark Fitzpatrick made 37 saves and Alex Selivanov scored the game's only goal, leading Tampa Bay over visiting Chicago, which was shut out for the second straight game. Chicago's Michal Sykora was carried out on a stretcher after a collision in the first period with Tampa Bay's Louie DeBrusk. Sykora was taken to a hospital with a possible collapsed lung.

**Canucks 6, Islanders 2** In Uniondale, New York, Todd Bertuzzi scored during a three-goal second period as Vancouver beat the Islanders. Dave Scatchard added two goals and an assist in the first meeting between the teams since the Feb. 6 deal that sent Bertuzzi and the Islanders' captain, Bryan McCabe, to Vancouver for the Canucks' captain, Trevor Linden.

**Sensators 4, Capitals 0** Daniel Alfredsson scored two goals and Ron Tugnutt stopped 35 shots for his third shutout in Ottawa's victory in Kanata, Ontario. Six regulars were out of Washington's lineup because of injuries.

**Canadiens 4, Devils 2** Mark Recchi scored while Montreal had a two-man advantage in the third period and the Canadiens ended visiting New Jersey's 13-game unbeaten streak. Brian Savage and Saku Koivu also scored for Montreal.

**Maple Leafs 2, Flames 1** Mathieu Schneider scored two goals and Felix Potvin stopped 32 shots to lead Toronto over visiting Calgary. With Chicago's 1-0 loss to Tampa Bay earlier Saturday, the victory put the Leafs just three points behind Blackhawks for the final playoff spot in the Western Conference.

**Sharks 2, Hurricanes 1** In Greensboro, North Carolina, Mike Vernon picked up his 324th career victory as San Jose kept its spot in the Western Conference playoffs with a victory over Carolina. Vernon, 11th on the NHL career victory list, stopped 14 of 15 Carolina shots in the first period, then turned away 14 more the rest of the way. Bill Houlder, snapped an 11-game point streak with a goal for the Sharks. Robert Kron scored for the Hurricanes.

## Jordan Leads Bulls' Charge Over Spurs

**The Associated Press**  
Michael Jordan scored 30 points, including seven in the last four minutes, as the Chicago Bulls defeated the San Antonio Spurs, 96-86.

Toni Kukoc added 21 points for the visiting Bulls, who rebounded nicely after a surprising overtime loss Thursday to the Dallas Mavericks.

The Bulls entered the final period Saturday leading 68-59 and held the

## NBA Roundup

Spurs in check despite nine points by David Robinson.

Jordan hit one of two free throws with 4:05 left, then followed up with six more points down the stretch to keep the Bulls in control.

Robinson led the Spurs with 35 points.

**Nets 108, Mavericks 93** In Dallas, Kerry Kittles scored five of his 20 points during a decisive 10-0 fourth-quarter run, and New Jersey snapped its season-high seven-game losing streak.

Chris Gatling had 24 points and Sam Cassell added 17 points and 10 assists as the Nets avoided their longest losing streak since the 1991-92 season.

The Nets trailed by one point with 4:44 to play when Kittles hit a 20-footer to put New Jersey in front for good. Kittles sank two free throws with 4:52 remaining, then Gatling added a 3-point play with 4:26 remaining to boost the Nets' advantage to 92-86.

**Cavaliers 88, Knicks 85** Shawn Kemp broke out of a scoring slump with 22 points and Zydrunas Ilgauskas added 18 or Cleveland.

Brevin Knight made two free throws with 14.9 seconds left in the extra period to put the host Cavaliers ahead by three

points. Derek Anderson then stole an inbound pass, was fouled and made one of two free throws for the Cleveland.

Charles Oakley and Allan Houston had 18 points apiece for the Knicks.

**Wizards 83, Hornets 80** Washington halted Charlotte's club-record 10-game winning streak, with a basket from Chris Webber with 13 seconds left.

Webber finished with 22 points and 11 rebounds, and the visiting Wizards overcame a stretch of nearly six minutes without a field goal in the fourth quarter to win for the third time in four games.

Charlotte's offense bogged down after Anthony Mason left with an ankle injury late in the second quarter.

The Hornets shot 50 percent in the first half but 33 percent the rest of the way, losing for the first time in seven home games.

**SuperSonics 114, Timberwolves 90** In Seattle, Sam Perkins scored 18 points as the Sonics rolled to an easy victory over Minnesota.

The Wolves, the second-highest scoring team in the league behind the Los Angeles Lakers, are 0-11 when held under 90 points. The Sonics forced the Wolves into 21 turnovers and converted them into 29 points.

Gary Payton had 13 points, 14 assists and five steals for Seattle.

**Rockets 89, Kings 86** Mario Elie's 3-pointer started Houston on a late 8-0 run and Charles Barkley hit three free throws in the final 15 seconds for the Rockets, playing at home.

With Houston trailing 84-79 with 3:58 left, Elie's 3-pointer started the run that put Houston ahead by three points with three seconds left.

Hakeem Olajuwon led the Rockets with 23 points and 11 rebounds, while Mitch Richmond led the Kings with 18 points.

**Nuggets 92, Trail Blazers 82** The Nuggets won consecutive games for the first time in more than a year, beating visiting Portland behind Johnny Newman's 33 points.

The Nuggets, who defeated Vancouver two nights earlier for only their sixth victory of the season, made it two in a row for the first time since Feb. 2 and 5, 1997 — a span of 98 games.

Despite the victory, the Nuggets (7-58) remained on pace to eclipse the worst record in National Basketball Association history, the 9-73 mark set 25 years ago by the Philadelphia 76ers. Denver's winning percentage of .108 is just shy of Philadelphia's .110.

**76ers 93, Bucks 89** In Milwaukee, Joe Smith scored 27 points and Allen Iverson added 20 as Philadelphia beat the injury-riddled Bucks.

Milwaukee, which has lost five straight games and eight of its last nine, was led by Ray Allen with 23 points and Elliot Perry with 21.

The Bucks, already without two injured starters, Terrell Brandon and Glenn Robinson, lost forward Tyrone

Hill in the first period and reserve center Andrew Lang in the second.

Hill, who was carried off the court on a stretcher, fell to the court in a collision with several players while defending as Iverson drove to the basket.

There was no report on his injury but a club spokesman said Hill, taken to a hospital for an examination, had feeling in his arms and legs. Lang injured his left knee and left the game.

## Ewing Could Rejoin Knicks For Playoffs

**By Selena Roberts**  
New York Times Service

**NEW YORK** — The aging superstar crashed down on his shooting wrist with a thud. Within 24 hours, everyone would discover the details of his pre-dawn surgery and the bleak prognosis.

Not only was Patrick Ewing out for the season, but there was also concern that the delicate touch on his familiar fallaways and the flick of his right wrist on his choreographed hooks would never be the same. But driven by pride, ego and the knowledge that he has precious little time to win an NBA title, Ewing has pushed his body's healing powers and made remarkable progress.

Suddenly, what seemed far-fetched no longer is. If the 35-year-old Ewing's rehabilitation continues to move forward, he could confront the New York Knicks' physician, Dr. Norman Scott, with a crucial decision — whether to give Ewing, in whom the Knicks just invested \$64 million in a contract running through 2001, the go-ahead to return for postseason play.

"He is working so hard and doing so well and is so positive, that if you would have told me four months ago that we might be put in a situation where we have to even consider this, I wouldn't have believed you," Scott said. "Is it possible that in another three or four weeks, he could force us to look very seriously into making a decision? It's possible now."

Ewing was injured Dec. 20 when he was fouled by Milwaukee's Andrew Lang while leaping for a pass.

Scott said that whatever decision he ultimately makes will be based on medical evidence, not sentiment, even though Ewing is intent on returning before the playoff roster is set on April 20.

## Princeton's Magical Ride Ends

## Michigan State Cages the Tigers To Win, 63-56

**By Jack Curry**  
New York Times Service

**HARTFORD, Connecticut** — There were some moist eyes, some flushed cheeks and some bitter memories scattered throughout a quiet Princeton locker room. The tears will eventually subside, but the memories of this 63-56 defeat to Michigan State will not fade too soon for the Tigers because of the aching way in which it unraveled.

Those memories will linger. Things that people could have easily changed tend to stick.

Princeton's dazzling season ended Saturday in the second round of the National Collegiate Athletic Association tournament.

The Spartans played an aggressive zone defense that suffocated the Tigers, the precise Tigers mishandled more opportunities in the most crucial game of the season than they usually do in a month, and Mateen Cleaves scorched them for the most devastating 3-pointer of the season and 27 points.

The magical ride is over for the Ivy League wonders, and the Tigers have a lot to remember. And a lot to regret.

"It's disappointing," Steve Goodrich, the Princeton center, said.

"I can't measure the season. We feel horrible. When you win, you want to be around everyone. You lose, you don't want to talk. I feel so bad. I can't even tell you right now."

He did not have to. There were other signs of how bad it felt to fall short of the East Regional semifinals after being tied with less than two minutes left — from the coach, Bill Carmody, flinging his blue blazer off his back when the Tigers missed one of three straight lay-ups during the final five minutes, to Gabe Lewulis hiding his crew cut in his hands, to Mitch Henderson's somber voice struggling to accept that this season was over.

"Right now, I feel horrible," Carmody said. "The team has done some great things over four years. But, right now, the big picture is a little tough."

The Tigers (27-2) missed 9-of-18 free throws — including an inexplicable four straight one-and-ones to end the game — and were a woeful 7-of-28 from 3-point range. Michigan State was so diligent in defending the Tigers that it limited them to one back-door lay-up, and even produced one of its own to end the first half.

So there will be no hyped rematch on Thursday with top-seeded North Carolina, the only other team that solved Princeton's game this season.

"This season, at some point, I'll remember how great it was," Lewulis said. "But right now, I don't feel too good."

Henderson, his intense eyes staring straight ahead, said: "I've enjoyed playing with these guys, but we go our separate ways now. It's a shock."

Not to Michigan State. The Spartans (22-7) extended their 2-3 zone beyond the top of the key, bumped the Tigers hard whenever they made back cuts, and were very active about contesting 3-point attempts.

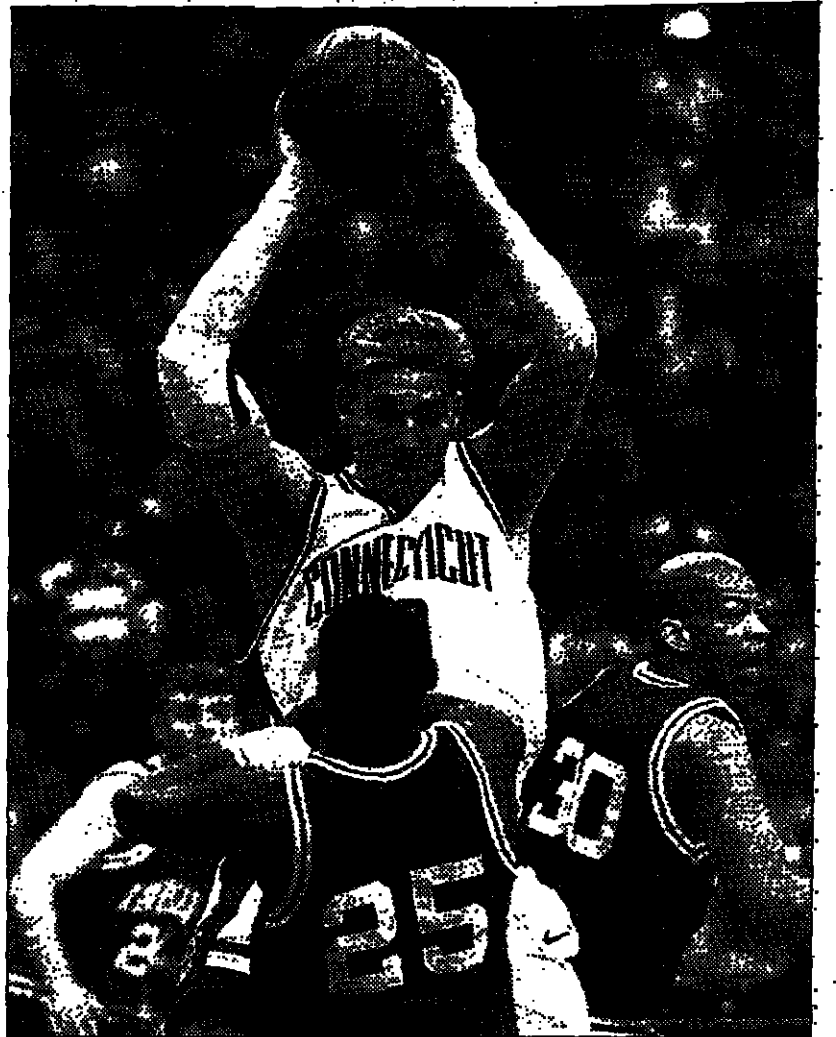
Princeton's Brian Earl (15 points) hit 5-of-10 from beyond the arc, but Goodrich (18), Lewulis (13) and James Mastaglio combined to go 2-for-18.

"I felt in the second half we played great defense against a tough Princeton team," said Michigan State's coach, Tom Izzo, whose team scored the first 10 points and survived 22 turnovers. "I can't tell you how much respect I have for them. That is as hard a team to prepare for as we've played."

What decided the game in the final two minutes were two memorable possessions. With the Spartans ahead by 56-54 and 1 minute 40 seconds left, Princeton ran a play that called for Earl to take a 3-pointer.

Mastaglio instead wound up wide open two feet from the hoop — so open that the fans even gasped. But Goodrich, whose back was to the basket, did not see him. Mastaglio curled around and missed an off-balance 3-pointer with one tick left on the 35-second clock.

"I definitely knew I was open," Mas-



The Huskies' Jake Voskuhl grabbing a rebound while surrounded by Indiana players. Connecticut won the second-round regional game.

taglio said. "There's nothing you can do."

Cleaves wanted to penetrate at the time dipped under 40 seconds, but he saw Earl retreat in anticipation of a drive, so he tried a 22-footer. Swish. It was 59-54, and the Tigers were tamed. Their 26-game winning streak was a memory.

In other games, *The Associated Press* reported:

**North Carolina 83, North Carolina-Charlotte 83** The top-ranked and top-seeded Tar Heels needed overtime to defeat the 49ers and advance into the East regional semifinals, where they will meet Michigan State.

North Carolina-Charlotte frustrated the Tar Heels' All-American, Antawn

Washington 81, Richmond 80 Todd MacCulloch had 31 points and 18 rebounds as the Huskies (20-9) advanced, past the second round for the first time since 1984.

MacCulloch scored 17 points in the first 10 minutes of the second half, including nine in a row as the Huskies opened a 64-48 lead and coasted. Jarod Stevenson scored 21 points for 14th-seeded Richmond (23-8).

**Utah 75, Arkansas 69** In Boise, Idaho, Andre Miller scored a career-high 28 points for the Utes (27-3), who will meet West Virginia in the regional semifinals.

Miller had 18 points and hit 8-of-9 free throws in the second half when the Razorbacks (24-9) closed within three points three times. Derek Hood and Kareem Reid scored 16 points each for Arkansas.

**West Virginia 75, Cincinnati 74** D'Juan Baker seemed to have lifted his team from the edge of disaster for the second consecutive game, before Jarod West made his move.

Baker, whose 3-pointer with 3:62 seconds left gave Cincinnati a 65-62 first-round victory over Northern Arizona, hit two of them in the last 1:02. His second one put the Bearcats (27-6) on top 74-72 with 7.1 seconds remaining.

West then dribbled the length of the court before nailing the game-winner.

**Maryland 67, Illinois 61** In Sacramento, California, Obinna Ekezie hit a game-tying jumper and six free throws down the stretch for the Terrapins (21-10).

Sarunas Jasikevicius led Maryland with 20 points and Rodney Elliott added 16. Jerry Gee had 14 points and 13 rebounds for Illinois (23-10).

**Arizona 82, Illinois 81** Miles Simon and Mike Bibby each scored 19 points as Arizona (29-4), the defending national champion, reached the round of 16 for the seventh time in the last 11 years.

Dan Muller had 17 points for Illinois State (25-5), which has never advanced past the second round in the NCAA tournament.

## CROSSWORD

## ACROSS

1 Diminished over time, as the moon  
11 15-Across swung one  
14 French novelist Zola  
15 Baseball's Hamman  
16 Grow old  
17 "Great" words from Jerry Lee Lewis  
18 Sought office  
19 Follow source  
20 Like a haunted house  
21 Cosmetics

## DOWN

2 Name to a position  
3 Not these or those  
4 Model T starter  
5 Time on the job  
6 Physical stature  
7 Letter after pi  
8 Tennis units  
9 Positive insect  
10 Post-architect Sir Christopher  
11 Before, in poetry  
12 Alternative to a convertible  
13 Like a haunted house  
14 Lustrous cotton fabric

## ACROSS

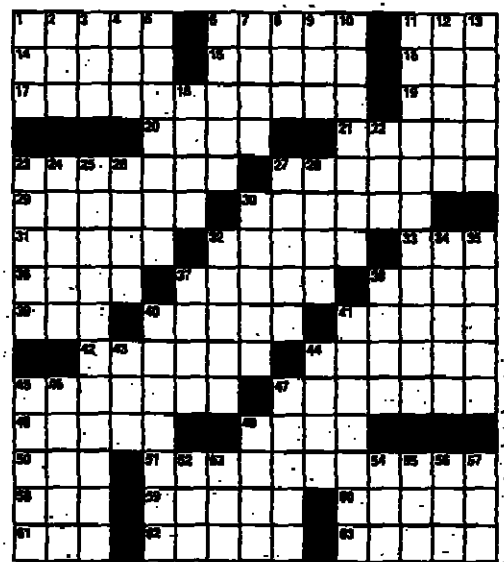
44 Harsh  
45 Clothes with those  
46 Charity event  
47 Second City's #1 airport  
48 Weapon swung by a gaucha  
49 Needlefish  
50 "Great" Asian landmark  
51 Indiana Jones's quest  
52 "The Waste Land" poet  
53 Word after dog or jug  
54 Bro's sibling  
55 "You Light Up My Life" singer Boone  
56 Drive too fast

## DOWN

1 Spider's snare  
2 Doctor's grip  
3 Nothing  
4 Building wing  
5 Tapioca pudding, e.g.  
6 Partisan director  
7 Hulk Finn's conveyance  
8 Jackie's second  
9 "any drop to drink" Coleridge  
10 Pabst protector

## DOWN

48 Lungful  
49 The individual  
50 Ceremonial gowns  
51 Puppeter Lewis  
52 Ill-gotten gains  
53 Spitch  
54 Pub choice  
55 Women's



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The Rockets' Brent Price, left, tealing the ball from Sacramento's Anthony Johnson. Houston won the game at home, 89-86.



